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CONTENTS

8 JANUARY 1988

EAST-WEST RELATIONS

- CEMA-Latin American Economic System Agree on Cooperation
[*EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV*, 1987] 1

SOCIALIST COMMUNITY, CEMA

- Minimum Time for CEMA Restructuring Recommended
[*Vladlen Krivosheyev*; *MOSCOW NEWS*, 1-8 Nov 87] 2

GENERAL ECONOMIC AFFAIRS

- Oblast Seminar on International Economic, Social Cooperation 3
Finnish Parliament Head on Trade, Relations [G. Kuznetsov; *SOVETSKAYA ROSSIYA*, 3 Oct 87] 3
International Reports, Comments on Joint Ventures 4
Czech Ambassador to USSR [*MOSCOW NEWS*, No 41, Oct 87] 4
Japanese-Soviet Woodworking Enterprise
[V. Kalinkin; *LESNAYA PROMYSHLENNOST*, 24 Sep 87] 5

UNITED STATES, CANADA

- U.S. Neoglobalism, Foreign Policy, Treaty Views Attacked 8

EAST EUROPE

- Gerasimov Interviewed on Glasnost, Press Briefings
[*Gennadiy Gerasimov Interview*; *TRYBUNA LUDU*, 3 Sep 87] 9
'Overseas' Poles' Investments in Polish Firms Appraised 10
Hungarian Academician on Socialist Economic Development
[*Mihaly Simai Interview*; *NEW TIMES*, No 38, 28 Sep 87] 11
Hungarian Opinion Divided on Restructuring [Ferenc Varnai; *NEW TIMES*, 9 Nov 87] 13

LATIN AMERICA

- Contents of *LATINSKAYA AMERIKA*, No 9 [*LATINSKAYA AMERIKA* No 9, Sep 87] 15
Editorial Praises LA Economic Integration Projects [*LATINSKAYA AMERIKA* No 9, Sep 87] 15
Latin American States' Role in 'Pacific Community' Assessed
[N. I. Zhdanov-Lutsenko; *LATINSKAYA AMERIKA* No 9, Sep 87] 16
Nature of Latin American Political Instability Examined
[V. M. Kulistikov; *LATINSKAYA AMERIKA* No 9, Sep 87] 21
U. S., West Europe Seen Supporting Pinochet Regime in Chile
[O. P. Proselkova; *LATINSKAYA AMERIKA* No 9, Sep 87] 26
Nonaligned Movement, Latin America's Role Discussed 30
Journal's Work Subject of Readership Conference in Kiev
[A. V. Petrov; *LATINSKAYA AMERIKA* No 9, Sep 87] 30
Journal Board, Teachers, Soviet, Cuban Students Meet in Tula
[A. M. Bazhenov, S. R. Khukhrov; *LATINSKAYA AMERIKA* No 9, Sep 87] 31

CHINA, EAST ASIA

- PRC-USSR Committee on Border Rivers Meets [*International Service*, 25 Nov 87] 33

**CEMA-Latin American Economic System Agree
on Cooperation**

18250019 Moscow *EKONOMICHESKOYE
SOTRUDNICHESTVO STRAN-CHLENOV SEV* in
Russian No 10, 1987 p 104

[Excerpt] On 21-22 May 1987 in Caracas (Venezuela), negotiations took place between a delegation from the Council of Mutual Economic Assistance, headed by CEMA secretary V. Sychev, and the Latin American Economic System (LAES) headed by LAES permanent secretary S. Alegretto. An agreement was reached on the establishment of cooperation between both organizations and their secretariats. Mutual desire was expressed for development in the interests of both countries entering into the agreement. In the course of the meeting a program of cooperation for 1987-1988 was agreed upon,

in which is foreseen, in particular, development of joint research on the status and long-range prospects of trade-economic relations between the country-members of CEMA and the LAES; conducting a seminar on these questions in Caracas in the beginning of 1988; an exchange of information and documentation; and development of cooperation in the training of national cadres.

The negotiations took place in a friendly and cordial atmosphere and the sides expressed satisfaction with the results of the meeting.

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**Minimum Time for CEMA Restructuring
Recommended**

18120016 Moscow MOSCOW NEWS in English
No 43, 1-8 Nov 87, p 3

[Article by Vladlen Krivosheev]

[Text] The Council for Mutual Economic Assistance (CEMA) has invariably proved its viability since its foundation in 1949. It has efficiently served the interests of each of its member-countries, and worked for the common socialist interest. Its mechanism for cooperation is not a rigid and unchangeable structure, but rather a living and developing organism, its self-perfection potential is immense. The recent, 43rd, session of the CEMA, which is the organization's supreme ruling organ, once again confirmed this.

According to CEMA Rules, the aim of the organization is to deepen and improve cooperation between the fraternal socialist countries, to develop socialist integration, accelerate technological and economic progress, achieve a gradual rapprochement and leveling off of economic development levels, and a steady rise in the standard of living of the people of the participant states. The tasks are immense, and difficult to fulfill. They are not to be solved overnight. The more so that there are many complicated passages on the way to this goal. There have emerged certain serious problems including those presently hampering the economic development of the member-countries. If the fraternal countries are to reach the new frontiers of economic development, if the obstacles are to be negotiated and the problems solved, then a profound restructuring of the CEMA is needed. The restructuring must affect both the cooperation and economic integration mechanism and the activity of the CEMA.

A collective decision on restructuring the cooperation mechanism in practically all of its elements, adopted at the latest session in Moscow, and the delineation of

directions and formulation of tasks to be fulfilled constitute yet another step towards the strengthening of the foundations of socialism. Realization of the resolutions adopted at the session will be the next step in that direction.

The restructuring is to be carried out on a stage-by-stage basis, bearing in mind the national economic mechanisms of the member-countries, including the measures being undertaken by them in order to perfect those mechanisms. At the same time, as I see it, minimizing the time spent on passing through all the stages (without unjustified anticipation) will be in the interests of the community of states as a whole and of each of its members. Both the changes in the world economy, in which socialist economies play a role, and the acceleration processes objectively going on inside the CEMA, demand that such an approach be adopted.

Let's consider, as an example, such a factor as the transition to wholesale trading in the means of production in the USSR. By 1990, it will encompass nearly 60 percent of the commodities of that category, and by 1992-93, 90 to 95 percent. This is bound to effect the pattern of Soviet imports as well as exports. The consequences of the switch from administrative to economic methods of management of the economy also shouldn't be disregarded, in particular the task of combining more realistically plan requirements and the development of direct ties between production enterprises.

In this connection, working out the concept of the socialist division of labor is of particular importance: such a concept will enable each CEMA member-state to reveal fully its internal potential, to demonstrate its ideas and to use more effectively the advantages offered by the CEMA in order to accelerate its social and economic development. This will also contribute to a worldwide consolidation of socialism.

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Oblast Seminar on International Economic, Social Cooperation

[Editorial Report] Moscow PARTIYNAYA ZHIZN in Russian No 20, Oct 87 pages 59-60 reports a Vologda Oblast Party Committee seminar-conference on "questions of the development and intensification of cooperation among oblast production collectives and labor collectives of fraternal countries." The seminar was attended by heads of obkom departments, gorkom and raykom secretaries, heads and secretaries of party committees of enterprises, organizations, and kolkhozes having ties with partners in socialist countries. The date and place of the seminar is not given.

The article, entitled "Vologda: Problems of Cooperation With Collectives of Fraternal Countries," summarizes the extensive foreign ties of the oblast which include partners in Hungary, Bulgaria, the GDR, Vietnam, Romania, and Yugoslavia. The experience of the Cherepovets metallurgical workers is cooperating with the Lenin Metallurgical Combine in Miskolc (Hungary) was singled out as worthy of thorough study and dissemination.

"Cooperation with partners," says the article, "is not limited to the area of economics. Both sides have begun to pay more attention to contacts to exchange experience in solving social problems. Groups of representatives of party, soviet, trade union, youth, and other social organizations, and specialists from individual branches of the oblast's economy have studied forms and methods of ideological-political, labor, and moral and material incentives, vocational orientation, acceleration of scientific and technical progress, medical, trade, and cultural services, the work of social organizations, and many other questions. Ties among workers in culture and the arts are being developed." Further, the article notes, cooperation among the mass media is also being developed.

"Managers of a number of enterprises and organizations who take a passive position in cooperation with partners in Borsod County were targets of serious criticism," states the article. Construction workers of the Cherepovetsgrazhdanstroy Trust are also criticized as being "very slow to make contacts with partners." M. Antonov, secretary of the party committee of the Cherepovets Nitrogen Fertilizer Plant, who spoke at the seminar, cites the need for "assistance from the Main Administration of Soyuzzarubezhkhimstroy of the Ministry of Mineral Fertilizers to solve problems more efficiently."

The article concludes as follows: "The facts cited during the course of the seminar-conference bear convincing witness to the fact that interested, active participation in the process of cooperation by ministries, departments, and party organs opens up extensive opportunities to arrange detailed business interaction between friendly regions of fraternal countries and representatives of the broadest strata of their society."

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Finnish Parliament Head on Trade, Relations *18250004a Moscow SOVETSKAYA ROSSIYA in Russian 3 Oct 87 p 3*

[Article by G. Kuznetsov (Helsinki-Turku-Maarianhamina): "Dialogue Along All Lines"]

[Excerpts] We were sitting with the chairman of the Finnish Parliament, Matti Akhde, in the meeting hall, as he joked, under the attentive gazes of his predecessors in this high post—they looked down at us from portraits which hung on all the walls. As distinct from them Matti Akhde was extremely young, although he has an active political life behind him.

Only one area of relations between our countries causes concern: bilateral trade. The difficulties have been caused by the decline in world prices for petroleum. Taking into account the fact that the majority of Soviet exports to Finland energy bearers, particularly petroleum, its cost dropped appreciably all at once. And a disbalance of extremely significant proportions formed in Finland's favor. But the trade between the two countries is arranged on a clearing basis which has recommended itself: the sums of commodity turnover must coincide. Thus a problem arose.

It would seem that it would be advantageous for Finland to have a positive trade balance with the USSR since it has a negative payment balance with countries of the West. But the Soviet Union is trade partner No 1. Its share in the overall volume of Finnish exports amounts to 20 percent. In order to continue to develop commodity exchange it is necessary to balance it. And both sides are trying to do this by searching for possibilities of increasing Soviet deliveries, primarily through machine building.

Of course the Finnish market can be stretched only so far. In volume it is equal to Leningrad. Moreover, Finland imports more Soviet machine-building products than do all the Western European countries taken together. But nonetheless the Finnish partners are prepared to increase it but there is a guarantee of quality and prompt delivery. Yet, they say, Soviet "salesmen" must enter the market more boldly, offer their goods more actively, and expand their assortment. At the same time, the sides are agreeing on new forms of cooperation: these include production cooperation and joint enterprises.

The importance of Soviet-Finnish relations is recognized not only in the capital but also in the country's heartland. For example, on the Aland Islands—an autonomous province of Finland. Each morning beautiful ferries set out from Turku to Maarianhamina—a major city and the only one in the islands. The route through the rocks

among the numerous islands and granite peaks jutting out of the water is complicated, the more so since sometimes the beautiful ferryboat with dozens of cars and trucks and hundreds of passengers goes literally within 5-6 meters of the steep cliffs. But not for a single day, even in the winter, do the two competing companies, Viking and Silja, halt the movement of their ships to the islands that are located at the juncture of the Gulf of Finland and the Gulf of Botniya. The archipelago includes 6,654 islands but only 47 are populated. Their overall population is 23,500. About 10,000 people live in Maarianhamina, which was founded in 1861 by an order of Alexander II.

The capital of the Alands is frequently called the "city of a thousand lime trees" since the trees are arranged in five rows along the main streets that joins the eastern port, where steamships and cargo ships are moored (including tankers carrying Soviet petroleum products) and the Western port with its numerous yachts and motorboats. Maarianhamina is the second most important port in the country after Helsinki. One-third of the Finnish fleet is registered here. There is no need to say that everything is linked to the sea here.

Efficiently laid out and divided up into neat rectangular sections covered with greenery, Maarianhamina, where there is no industry, is a magnet for tourists. There are up to a million of them a year on the Alands, mainly from Sweden, which is just a stone's throw away, the more so since on the islands, which have been under the dominance of three crowns for 7 centuries, the official language is Swedish. It was only the heroic crossing of the Russian army under the command of Bagration in 1809 that the fate of the Alands was finally decided.

In keeping with an international convention, the Alands were demilitarized. Since the war the Soviet Union has guaranteed this status and it has a consulate in Maarianhamina to do this. The current consul, Vasiliy Nikolayevich Sorokin, is a welcome guest in literally every home: this alone tells of the residents' attitude toward our country. Demilitarization means that there are neither fortresses nor garrisons on the island. Military ships are forbidden to approach here. Local young men do not serve in the army—it is replaced by a pilot service. But this is not enough. In 1985 on the anniversary of Hiroshima, all 30 deputies of the Landsting addressed the parliaments of all Europe, announcing that they claimed the Aland Islands to be a non-nuclear zone.

"The example of the Aland Islands could accelerate the creation of a non-nuclear zone in Western Europe," the chairman of the Landsting, Sune Karlsson, told me. "This would contribute to strengthening peace not only in our regions, but throughout Europe and on the planet as a whole. I think that the agreement between the USSR and the United States concerning the elimination of

medium and intermediate-range missiles should help in the creation of the zone. One of the problems we are trying to resolve is creating a Center of Peace. We are not collecting money."

The Alands are a tiny part of the country which is separated by water. But they are linked with inseparable bonds to the Soviet Union, as all of Finland is.

"We value highly the dialogue between our countries," said Prime Minister Harri Holkeri in a conversation. "And the forthcoming visit of the president of Finland to the Soviet Union emphasizes the principle of continuity and the strengthening of our relations."

11772

International Reports, Comments on Joint Ventures

Czech Ambassador to USSR

18250006a Moscow MOSCOW NEWS in English
No 41, 18-25 Oct 87 p 6

[Excerpts] Jindrich Rehorek, the new ambassador of Czechoslovakia to the Soviet Union, recently took up his duties in Moscow.

MN: What will be your personal contribution to the further promotion of Czechoslovak-Soviet relations? What forms of these relations are the most promising?

JR: I am not one of those people who takes something to heart, but doesn't get down to work. I am not alone, a big Czechoslovak collective is working in Moscow and my task is to guide them in such a way that the beneficial aspect of our cooperation will grow, and strengthen our friendship.

I am even slightly ambitious in a sense that I will do my best not only to continue the good work of my predecessors, but will try to go further.

MN: How do you assess the possibilities of joint ventures? What are, in your opinion, the difficulties along this road and the methods of overcoming them?

JR: Cooperation cannot be only time-serving and confine itself to trade exchange and to supply of complete equipment alone.

The essence of our policy is a steady promotion of genuinely friendly cooperation. In the future we must see to it that our cooperation steadily improves its quality.

Major ventures always have problems, obstacles and failures, but these are ultimately the touchstones of future successes.

We strive to reliably ensure the future of our cooperation, and that's why we in Czechoslovakia have also developed a draft law of enterprises, which has been submitted to a nationwide discussion. Many new legislative measures have already been adopted or are being prepared. All this is done to create dependable conditions for cooperation at the next stage of building socialist society in our countries.

However, we must not forget that we are now starting "in a blank space." Our friendly cooperation already has a successful history. We have learned a great deal from each other and we have a foundation on which to build the society. In a direct production cooperation we must utilize the longstanding experience of our countries, which I have mentioned, and also the experience of other socialist countries.

This will also be facilitated by the new, already elaborated, forms of the CEMA activity. The only advice I have is, let's not pass a decision on the future direct cooperation of industrial plants only from "the top." Let the work collectives have time and the opportunity to make each other's acquaintance by the concrete probation of workers and, only after that, let a decision be passed on the enterprises that will cooperate, what field and the scale of cooperation.

Japanese-Soviet Woodworking Enterprise
18250006a Moscow *LESNAYA PROMYSHLENNOST*
in Russian 24 Sep 87 p 1

[Article by V. Kalinkin (Novaya Igirma, Irkutsk Oblast):
"Each Day Is Worth Its Weight in Gold"]

[Text] As was already reported, in June 1987 in Moscow representatives of the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry and the well-known firm Tiriku Trading Company Ltd. signed an agreement which envisioned the creation in Irkutsk Oblast of a joint Soviet-Japanese wood-processing enterprise—Igirma-Tiriku. It is to go into operation in April 1988.

How is the construction being carried out?

During little more than 3 months that have passed since the signing of the agreement, a good deal has been done. At the construction site where the sawmill and other facilities are located, almost 1.5 million rubles' worth of construction and installation work have been done. The installation of metal structures arriving from Japan is in full swing. The contours of the main building are already visible.

According to the estimate of the leaders of the joint board of directors of the future enterprise, the first stage of the work, which includes the creation of a watch village, the preparation of the foundations and consolidated assembly of metal structures, has proceeded just as was envisioned by the schedule. The general director of

Igirma-Tiriku, I. Podashov, and his deputy, K. Yamauti, are giving due credit to the skillful actions of the collective of the Bratsklesstroy Trust which has not lost a single day in getting started: within a couple of weeks they built the temporary village consisting of three good dormitories and were able to provide a work front for the installation workers on time.

But the managers of the enterprise think that in order for the first products to be produced no later than April of next year, more acceleration will be needed. At the construction site, which we visited along with I. Podashov, I was given many examples that show the readiness of the service of the client (Irkutsklesprom), the builders and the installers to achieve this acceleration. But something else was also encountered here: cases of red tape, the lack of desire to depart from outdated work methods, and the inability to solve the most important problems efficiently under new and unusual conditions.

"Have you ever heard of the expression 'to bring one's problems along'?"—I. Podashov asked me. "If not, I can explain: Our workers, who instead of making a decision on the spot put all of the problems that arise in their briefcases and take them with them. Where? To Leningrad! To the Giprodrev Institute, whose stubborn unwillingness to work along with the construction workers and the clients has been a part of our experience from the very beginning."

And this is done by none other than the project's head engineer, V. Yegorov. He has made two brief visits to Novaya Igirma and both times he left without telling the managers of the enterprise or the construction site anything about how various unforeseen problems would be solved.

And many have arisen during the past months. The first one has to do with the foundation excavation. Hasty and poorly conducted research led to a mistake: in the place where it was intended to lay the foundation on natural ground it was necessary to dig a pit. Machine operators of Bratsklesstroy were forced to perform a large volume of additional groundwork (about 80,000 cubic meters) for which they had to hastily find people and equipment.

After that followed trouble with the foundations. The initial variant fell away. The representative of Giprodrev who was on the site at the time made a correct decision: to fill in the excavation, compact the earth, and build the foundations. The builders had already begun to follow his instructions when from Leningrad there came another instruction which had originated within the walls of the institute. Without going into detail one can say that it did not take local conditions into account. Disturbed telegrams flew from Siberia to Leningrad. Then came another decision which, as they say, was even

sharper. And it was not until after the next telephone-telegraph attack undertaken by the Siberians that the Leningraders gave their "okay" to the initial variant which arose on the spot.

Twenty hot summer days were spent on arguments, discussions, and proofs. Each one was literally worth its weight in gold if one recalls the fine that has to be paid for delaying the startup of an enterprise.

Unfortunately Giprodrev did not draw the necessary conclusions from this story. Today, for example, the client, whose interests are upheld locally by the capital construction division of the Igirma Timber Industry Enterprise, and the builders, and, of course, the directors of the enterprise have ended up with more confusion. What is the institute doing to straighten this out? For clarity, here is a record of negotiations that were conducted not long ago between Novaya Igirma and Leningrad on the teletype.

The project's head engineer, Z. Yegorov, is at the teletype.

Question. The client wants to have clarified whether or not the enterprise will have a garage for the loaders.

Answer. This is not envisioned by the plan.

Question. Will there be transportation for the workers?

Answer. There is technological transportation in the plan but not for transporting workers.

Question. Why have they not included in the order specifications two lathes, one milling machine, one drilling machine and emery wheel according to the agreement that was reached previously?

Answer. There are no such machines in the plan.

Question. How does one solve the problem of sorting the timber materials for the domestic market?

Answer. Ask Podashov.

One could go on, but let us put the teletype tape to the side for now. It is clear that the staff did not type out the business and design decisions that were awaited in Novaya Igirma. Specialists at the construction site could guess about what was in the plan and what was not without conversations. It was important for them to know what was being done and what solution the planners had found to the difficulties. But, as we see, the time and electric power used for operating the teletypes were spent in vain.

In a conversation with me the institute's deputy head engineer, G. Zorin, who was at the construction site during those days, tried to explain the slowness of

Giprodrev by saying that there was not enough time, that it is not so simple to get from Leningrad to Igirma, and that in any case, the institute's workers were trying as hard as they could.

All this is so. But, after all, it is not just the planners, but also all the other participants in the construction in extraordinary conditions. These same Siberian builders began this unplanned facility by rolling up their sleeves and they are working with honor. But then: is it so necessary to have these frequent trips from Europe to Asia, which the deputy head engineer mentioned? After all, in the order for the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry, which came out as early as June, it was clearly stated that there is a need in the shortest amount of time to create at the enterprise under construction a group for worker planning of Giprodrev. The expedience of this is obvious: many questions would be resolved operationally, on the spot. But there has been no group of planners in Novaya Igirma nor is there one now. Workers of the institute change places here and, without solving anything, continue to take their problems with them. "Is it not time to come to an agreement and take advantage of their authority?"

But in spite of all this, the construction of an object that is prestigious for the branch is nonetheless proceeding at unprecedentedly high rates. And people here are not losing hope that in November the main building of Igirma-Tiriku will be a reality. The builders deserve the greatest compliments. All of them are on temporary duty and although the living conditions in the temporary village not very good, nobody is complaining. The work is proceeding on two shifts and a third shift will be organized in the near future.

Their efforts are matched by those of their associates—the brigade of the Lesdrevmontazh Trust. The metal structures, for example, came from Japan on time but not in complete sets, and, as it turned out, their quality left something to be desired. But again nobody stood still: during the course of their work they corrected the defects and continued the consolidated assembly without delay.

Another example. The construction site received vehicles which were extremely necessary for shipping products for the four motorized dining rooms that were located at the site. The machines had no documents. But the workers of the local GAI "rose to the occasion" and allowed temporary operation of them anyway.

The Giprodrev worker A. Starovin deserved the gratitude he received from the clients and the builders. He made a correct decision to make changes in the plan for the excavation. Incidentally, he came to Novaya Igirma for only 3 days in the heat of the summer, but, seeing the multitude of difficulties the Siberians encounter there, he stayed for an entire month.

...Igirma-Tiriku will be the first industrial enterprise in our country operating on the basis of cooperation between Soviet organizations and capitalist firms. Its construction has one very important and interesting feature: it enables us to look at ourselves as though from the outside, through the eyes of our foreign partners. In this regard I. Podashov gave me a curious example. When the subject of planning the settlement where the future operators would live came up his deputy, the Japanese K. Yamauti immediately drew a sketch of a building and suggested that construction be started immediately. It had to be explained that you do not

construct buildings so simply—it is necessary to find a standard plan, to scare up the money for materials, to go through a number of levels of coordination agencies, and so forth. And here it immediately becomes clear how fettered our economic workers are and how important it is to release them as quickly as possible. For under conditions when the main indicator in the future is not the notorious gross output, but net profit, each day begins to have a price in gold.

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**U.S. Neoglobalism, Foreign Policy, Treaty Views
Attacked**

18070023 [Editorial Report] Minsk KOMMUNIST BELORUSSII in Russian No 10, October 1987 pp 80-87 publishes an article entitled "Neoglobalism in Washington's Ideology and Policy." Author V. Rovdo, candidate of philosophical sciences, traces the history of the "globalistic course" in U.S. foreign policy from the 1940s. He notes that since that time only its form has evolved, while "its strategic line has remained unchanged—global expansion in the name of securing the positions of American monopolistic capital in the world. Extreme anticommunism and an aspiration to isolate and weaken the Soviet Union, which is viewed as the main obstacle in the path of USA world expansion, have become characteristic of it."

Rovdo assesses the role of "monopolies connected with the military-industrial complex" and of neoconservatives in shaping Reagan's foreign policy and view of international relations, including the area of arms control treaties. He says the following about U.S. attitudes toward such treaties: "Having frustrated the signing of a new agreement with the Soviet Union in arms control [in Reykjavik], the Washington leadership is torpedoing old agreements. At the end of 1986 it refused to adhere to the

SALT-2 Treaty. The White House is preventing the conducting of multi-lateral negotiations on universal banning of nuclear weapons tests. American leaders at various levels have repeatedly spoken of the possibility of U.S. withdrawal from the ABM Treaty in order to open the way for 'the strategic defense initiative' (SDI)."

U.S. economic and trade policy of "broad-scale 'economic' and 'technological' war against the USSR, reducing to the minimum the volume of economic contracts between the two countries" is also examined.

The final sections of Rovdo's article view U.S. policy toward Europe, and developing countries, the latter being described as "the most important zone of U.S. and USSR global competition, in the opinion of current Washington ideologues and politicians." Rovdo concludes that "the danger of R. Reagan's policy consists in the fact that aid to counter-revolutionary forces can at any moment develop into direct U.S. military intervention" and that the Reagan "nationalistic" policy "increases the threat of the beginning of a global military conflict."

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Gerasimov Interviewed on Glasnost, Press Briefings

02081401 Warsaw TRYBUNA LUDU in Polish
3 Sep 87 pp 1, 6

[Interview with Gennadiy Gerasimov, USSR Foreign Ministry press spokesman, by Zbigniew Lesnikowski: "The Background of the Soviet Press Spokesman's Work" in Warsaw, date not given]

[Text] [Lesnikowski] At your 1 September press conference at the INTERPRESS Center you did not seem to be taken aback by any question put to you. Perhaps I am mistaken?

[Gerasimov] You certainly are. I did not expect some of the questions, including the one on travel between Poland and the USSR. I did not know how many Polish tourists visit my country each year, although I should have included this data when preparing for that conference.

[Lesnikowski] How do you prepare for press conferences? After all, before you answer questions from foreign journalists you have to make inquiries yourself. Where do you make such inquiries? What about the "background" of your work?

[Gerasimov] I keep constantly in touch with my chief — Minister E. Shevardnadze — with many other members of our government, and with all Foreign Ministry agencies. Once a week I meet with my colleagues from various departments to decide what the press may be interested in. If one carefully watches international events, one may easily guess what questions could be asked at the Tuesday and Thursday press conferences. For example, if I learn from press agencies that the Norwegian sea beacons have been damaged and that the Norwegians accuse Soviet ships in this connection, I know perfectly well what questions will be asked at the press conference and I look for competent information about these beacons as soon as I can, so that I can learn the truth.

[Lesnikowski] What do you do if, despite your efforts, you still cannot answer a question?

[Gerasimov] All I can do is to admit that I do not know and try to give an answer at the earliest possible date. However, in order to avoid such contingencies we often invite people from outside the Foreign Ministry to participate in our conferences. Not so long ago the head of the Emigration Department of the Ministry of Internal Affairs answered journalists' questions about emigration from the USSR. The deputy minister of our merchant navy appeared at our press conference to answer question about the "Admiral Nakhimov" catastrophe.

However, as regards information, it is only too often that we have to do other people's work because they still shun "glasnost." I hope that in the future all the chief departments will create their own systems of honest information. For example, the Ministry of Health has begun to organize its own press conferences, and that is why I no longer have to answer questions about AIDS.

[Lesnikowski] But you do have to know all about the issues of Soviet foreign policy. Do your aides not only provide information about that policy, but also help to feteyp it to some extent?

[Gerasimov] Primarily, we help to develop public opinion, which we do through the mediacy of the press, naturally. However, it is not only journalists who attend our conferences. We also invite diplomats to them. On one occasion a journalist was displeased that so many foreign diplomats attended our conferences that no room was left for journalists. I told him that the door is always open for both because, while expecting journalists to help us develop public opinion, we also expect that our conferences may induce diplomats to help change the policies of their countries.

However, to be quite serious about your question, I have to concede that the information people from our Foreign Ministry really do help develop our foreign policy. After all, they draw up various recommendations that are extremely helpful in realizing our policy, especially information policy.

[Lesnikowski] Glasnost, acceleration, and reconstruction. What can you say about the importance of these terms and their specific application in the work of Soviet diplomacy? How does the Ministry of Foreign Affairs view "perestroika?"

[Gerasimov] One of the elements of glasnost is the principle that secrecy is not an attribute of the ministry's work. This work and that of other departments calls for glasnost and for public criticism. It goes without saying that certain issues are confidential and that it is impossible to avoid them in international affairs, but the principles of our policy are no secret to anyone. Nor can diplomats be regarded as "sacred cows."

Not so long ago, one of our tourists got himself into trouble in Paris. Because French railroad workers went on strike, he asked our consulate for help. The official responsible for giving such help put the tourist on the carpet, and the whole issue found its way into the columns of IZVESTIYA, which left no stone unturned to pick to pieces that indifferent bureaucrat, something that it was impossible to do at one time. No one would dare to say anything untoward about a foreign service worker, but things are different now. That critical article was followed by a session of Foreign Ministry officials, who took the necessary steps to prevent similar transgressions.

Placing stricter demands on foreign service workers with regard to their qualifications, responsibilities, and initiative is another example of "perestroyka" in the Foreign Ministry. Many diplomats have gotten used to regarding their work as merely fulfilling their usual tasks. They did what the center told them to do, and that was that. Now it is initiative, militancy, and efforts to raise qualifications, especially by self-education, that continue to count to an ever increased extent. He who waits for directives and, especially, he who halts his intellectual development has no chance of continuing his diplomatic career.

[Lesnikowski] You have so far held over 100 press conferences, which are famous the world over. Do you often think that foreign journalists have not written the truth or have distorted a statement made by you?

[Gerasimov] Such occasions are extremely rare. Journalists generally take good care of their reputation. No one wants to lose his authority.

[Lesnikowski] My last question is about your present visit to Warsaw.

[Gerasimov] The chief purpose of my visit is to keep in close touch with the information people, to exchange experience, to expand cooperation, and to find out what we could take over from your achievements. I have spent much time in your Foreign Ministry. I have also been able to get to know Jerzy Urban and his rich experience in the field of information. Before that, I had had similar consultations in Prague and Berlin. All these visits have been all the more interesting since I am still a "new man" in our Foreign Ministry, one who continues to search for the best possible method of making the sector I run function in the best possible way.

'Overseas' Poles' Investments in Polish Firms Appraised

18250008 [Editorial Report] Moscow PRAVDA in Russian 29 September 1987 carries on page 4 an article by PRAVDA's Warsaw correspondent O. Losoto, who poses the question: "What is a 'Polonia enterprise' (poloniynoye predpriyatiye)?" and gives the following reply: "Enterprises with foreign capital have been in operation in Poland for several years. Among them are the so-called 'Polonia firms (poloniynyye firmy),' that is, those whose owners are Poles living abroad."

Of the almost 700 Polonia firms operating in Poland Losoto describes two. One is the Alpha Enterprise, a 10-year old firm located in the Cracow suburbs and belonging to a joint-stock company with headquarters in Switzerland. The firm, which produces mainly multi-colored mosaic lightning bolt appliques for clothing, employs 600 workers and "during the years of its operation it has already acquired about one million dollars." It also has an administrative staff of 20 persons.

A second enterprise with foreign capital described by Losoto is the Plastomed Polonia firm owned by a joint-stock company in the FRG. It produces medical and laboratory apparatus, has been in operation since 1981 and had initial capital of 100,000 dollars. Of its 392 workers 115 have higher educations. According to the author, "a new production plant was built in the Warsaw suburbs with profits from 16 months." The economic situation at the plant is described as follows: "In the last year the value of the output has risen one and a half times. In the current year it has already increased 35 percent and can be valued at 2.8 billion zlotys."

As indicated by its title "Entrepreneurship Plus Efficiency; What a 'Polonia' Enterprise Is and How It Operates," the article presents a favorable picture of Polonia enterprises. An interview with the Alpha director points out that the state benefits by receiving currency, since "part of the output goes for export to capitalist countries. We use the latest Western technology, and therefore the output is competitive [on the foreign market]."

Andrzej Glowacki, Polish deputy minister of domestic trade and services and authorized government representative on questions of small foreign enterprises,, is quoted as follows on the Polonia firms:

"The most rapid growth of Polonia firms took place during the period 1982-1984. Poland was experiencing a severe economic crisis at that time. In the last two years the situation has changed. During these two years over 50 new firms arose. How do we assess this phenomenon? I must point out, they began with difficulty. Enterprises operating on the capitalist principles of a free market had to be absorbed into a socialist economy. In general, it has been successful. The economic reform being implemented in the country helped. Of course, there were also negative phenomena. In striving to wring out maximum income, the owners of individual firms for a time forgot about the laws in effect in the country. At a general meeting we warned firm representatives that we would tolerate no violations. Control is also being exercised by the public.

"Today there are two types of such enterprises in Poland: small foreign companies and joint-stock companies with foreign capital. The activity of foreign firms in a socialist country is a complex process and is still being formed. For example, we calculated that the firms' activity would be based on raw materials and materials produced abroad. This has not been totally achieved. It is possible, however, to point in a number of cases to the positive influence of foreign firms on the work of state enterprises, primarily in the field of calculating fishing demand and efficiency. Certain of our sewing enterprises, using the Polonia firms' example, have opened their own stores where their output is changed literally daily in accordance with consumer demand."

Hungarian Academician on Socialist Economic Development

18120012 Moscow NEW TIMES in English
No 38, 28 Sep 87 pp 10-11

[Interview with Hungarian Academician Mihaly Simai by Felix Goryunov, special correspondent Budapest-Moscow: "There Is Much To Be Changed by the Third Millennium." Passage in boldface as published]

[Text] Before my departure for Budapest, my friends who are experts on international economics, told me as if they had agreed in advance, that a meeting with Academician Simai was a must. Besides being a very charming man, they said, he was a specialist in world economics with broad-minded and original views and considerable experience of work in the United Nations. Mihaly Simai has written definitive studies on the international movement of capital, the world capitalist market and trends in economic development in conditions of the scientific and technological revolution. His field of interest also includes questions of socialist economic planning. In the Soviet Union he is best known for his book, "Towards the Third Millennium," put out by Progress Publishers in 1977, in which he analyzes the trends in the world economy at the close of the 20th century. Our conversation centred on urgent problems in the social and economic development of world socialism as a part of the world economy.

N.T. The social and economic restructuring now in progress in the Soviet Union is an imperative of the times we live in. But in the scientific analysis of these radical changes, the social sciences and, in particular, economic theory, are lagging behind the times. The logic of the development of the productive forces and production relations under socialism is now posing a number of problems which are being resolved in practice faster than in theory. It is becoming obvious, for instance, that as socialism uses the same means of production as capitalism, it is possible to make certain forms of economic organization that are more typical of the system of so-called free enterprise work for the new society.

Simai. We discussed this interesting question many years ago. The crux of the matter is that new technologies demand certain forms of production organization, be they capitalist or socialist, as without them productive forces cannot develop. For example, if you use robots you should not automate only a part of the production process, as often happens in our countries. You have to automate the entire process. Neither is it possible to retain the former level of employment at a plant that is being robotized. On the other hand, preservation of employment is a very important task for a socialist society. Yet, along with the modernization of technology, it is imperative simultaneously to change the composition and structure of the work force.

This is one aspect of the question. The other is in the special role of information. The new forms of organizing production imply first of all a constant flow of information. And one part of it cannot be classified information and the other non-classified. There are people who have no access to information and people who have but do not know how to use it. Such a system cannot be retained while using new technologies as these require new production relations and the free exchange of information.

An even more complex problem is to be found in the sphere of microeconomy, that is at the level of enterprises. It is created by the need for a flexible production organization not on the basis of a uniform technology at a single plant but by way of co-production involving various enterprises. No less important are direct links between manufacturers and consumers. Such direct links are developing within the framework of a very complex system in which requirements and possibilities of satisfying them depend on specific decisions at various levels, as it is simply impossible to plan everything.

But, as distinct from capitalist society, under socialism it is necessary both to foresee and plan the development of such links. One must be aware of their influence on social processes in order to avoid adverse consequences. The so-called free play of market forces cannot satisfy the needs of a developing socialist society. Hence the need for the skill to combine central planning with flexibility in the market. It is very important to organize planning in such a way as to permit the development of direct links in the microeconomy.

In Hungary we have made a fairly detailed study of the question of how market relations can develop in a socialist society. But like you we have not yet worked out optimal forms for macroeconomic planning and management, that is on a national scale in the new conditions.

Yet these forms play no less a role than the market. That is why we cannot yet flexibly regulate the macroeconomy. And we still have a lot to learn in this field. Lenin wrote that in the monopoly one can discern the embryo of socialism because it represents a new stage in the socialization of production. So it is extremely important for us to study the laws of development of socialized production, and understand in what ways it should be changed to make it serve social progress.

N.T. Social forecasting can play a special role in the flexible combination of macroeconomic planning with the development of direct links in the microeconomy, where the independence of enterprises is guaranteed. Social forecasting can indicate strategic directions for economic development in the interests of society and its different strata.

Simai. Economic activity is only one type of social activity, even though the volume and nature of the distribution of material and other boons depend on it. In

other words, economic and other social processes are interconnected and cannot be taken in isolation. Under socialism their interconnection should be closer than under capitalism. For it is no secret that the political and social aspects of society's development are more important to us than the purely economic ones.

But if the organization of society and the approach to political and social problems ignore their close interconnection, this leads to arbitrary practice. And it inevitably affects economic processes as well because it comes into conflict with the logic of social development. And in the event of such a conflict the economy can no longer serve society.

Generally speaking, the influence of macroeconomic decisions on the development of society has not so far been very clear either in the socialist or the capitalist systems. Neither is our leadership's perception of it sufficiently clear.

Very often there is an oversimplified perception of the impact of macroeconomic decisions on enterprises. Some senior economic managers even think the macroeconomy is like a big enterprise and that it can be run accordingly. But the national economy is much more complex than an enterprise. Political decisions can help enterprises in their work but they can also be an impediment. But at the macroeconomic level their impact is much greater because of the close interaction between the economic, political and social factors we have already mentioned.

We must learn three important things. The first is forecasting, not of development, but of problems that could arise in the economy and social life in their close interaction. This is particularly necessary to avoid crises. The second is planning. What do we want to achieve, what are our main priorities? How can we achieve them and under what conditions? How can we create these conditions and what interrelationships will result from them in various branches of the economy? Such questions should be posed by planning prior to starting to formulate in practice the macroeconomic policy that is to be the core of economic and social development. The third is the choice of methods of regulating economic development, the use of various socio-economic levers by means of which the aims set can be achieved.

N.T. It appears that structural policy is the key direction of macroeconomic planning. Some Hungarian economists are of the opinion that your economy did not adjust in time to the requirements of the world economy and that that was why the structure of industry was not changed. At the same time, your domestic market is saturated with consumer goods. The service industry, too, is developing rapidly. Are you approaching the level of, say, West European countries, in terms of the ratio between employment in material production and in the services?

Simai. We are still a long way behind them. The services can develop rapidly only if there is a high level of labour productivity in industry. If it is not high enough, it is difficult to expand even privately provided services. For employment in this sphere can increase only when it falls off in the branches of material production. Another reason why the services in my country are not yet sufficiently developed is that we have paid little attention to the problem. There was even a time when we dismissed this on ideological grounds. The services were considered non-productive. And now our society cannot satisfy all the requirements of the population or allocate sufficient funds for the rapid expansion of services. Their inadequate development has become one of our most important structural problems.

N.T. Direct links between enterprises are now becoming a key trend in intensified cooperation between CMEA countries. Logic suggests that this should produce a situation in which the national levels of labour productivity, production costs and, with them, prices in the European CMEA countries are brought closer together. Integration will also facilitate the expansion of producer co-production and scientific-technical exchanges. In combination with the coordination of national economic plans and the external economic policy, this could lead to the formation of a common socialist market. In other words, integration will reach a qualitatively new level.

Simai. I do not look that far into the future. As I see it, our main problem today is intensifying cooperation. And particularly the ability to take into account the interests of different countries. These interests are varied and sometimes lie on different planes. The G.D.R., for instance, has a special interest in trade with the F.R.G. Poland and Czechoslovakia also have their own special interests. We have now realized that it is impossible to coordinate interests in our economic system on the inter-state level alone. This means that we must start to coordinate, to learn to take into consideration mutual interests on the microeconomic level, that is, to integrate the interests of enterprises.

So far the CMEA's economic mechanism has operated mostly on the basis of bilateral cooperation, particularly between the Soviet Union and the other countries. And this is not integration in the full meaning of the word. A process of disintegration, even, has begun in recent years. And now it is necessary to do everything to invigorate cooperation between enterprises in different CMEA countries. Without this we will not create a common market.

It is undeniable that the transition to direct links between enterprises gives rise to new questions. For instance, the question of how control over their activity, or the work of the joint enterprises created by them, will be organized. Or how to assess prices: in accordance with the level in the U.S.S.R., where prices of raw materials are very low or, say, Hungary, where they are very high. For it may turn out that products whose output is

effective in the U.S.S.R. will not be competitive in Hungary. In short, we will still have to solve many problems. And we are only beginning to do so.

N.T. We began our conversation with the remark that it is now necessary to rethink many theoretical propositions. Some ten to fifteen years ago Soviet economists wrote in *NEW TIMES* as well as elsewhere that the main advantage of socialist integration is that it draws countries closer together on the macroeconomic level.

Simai. And I also wrote this. There are two forms of integration: by way of the market and by way of the plan. Integration by way of the plan is quite possible. But along this road we have made quite a few mistakes, although we had a real possibility of achieving such integration because at the time the level of industrial development in the East European countries was relatively low.

For if at that time our cooperation had been sufficiently thorough, and had our economic interests coincided, we could well have applied macroeconomic forms of integration on that basis. But we lost time, and now the industrial structures of individual CMEA countries do not always correlate. So-called technological nationalism has become an impediment to integration.

N.T. But at that time these mistakes were inevitable because of the low level of industrial development. The economies of all the CMEA countries were developing extensively according to the principle the more the better. And nobody thought about the possibility of structural disproportions because each country was experiencing shortages of the most essential things. Neither was the question of intensifying production on the basis of new technologies as urgent as it is now. Alas, according to some economists we were twenty years late in switching to the intensive course of development.

Simai. The trouble is that we are more than twenty years late. Because qualitative changes in technology have taken place over the past twenty years. And they have turned out to be more significant than those during the first two postwar decades. And this means that our present technological lag behind the West is even greater than then. Even when I was beginning work on my book, "Towards the Third Millennium," early in the 1970s, it was not as substantial as in the second half of the 1980s. That is why the accelerated development of science and new technologies and their fullest possible use in industry is now the main strategic objective of the socialist countries.

There is, however, a very important field in which the dynamics of the development of new technologies was high. I refer to the defence industry. Some Western authorities view it as a field in which the Soviet Union has competed with the West as an equal. For this reason

your country now has greater possibilities of drawing on this technological reserve than the smaller socialist countries, given of course that the military-political situation permits this.

N.T. Do you think we will manage to catch up technologically by the beginning of the third millennium?

Simai. In the optimum case we will need eight to ten years for this, not less. For we will have to change the education system and retrain personnel so that they will be able to utilize the new technologies. The structure of industry and its organization should be different too. But the main thing is to increase people's technical knowledge and teach them to apply their new skills effectively. All these are far from simple tasks. The restructuring that has been started may solve them. If it turns out to be a success in political terms, then all the other objectives of socioeconomic acceleration will be achieved more quickly too.

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Hungarian Opinion Divided on Restructuring
18120014 Moscow NEW TIMES in English
No 44, 9 Nov 87 p 11

[Article by Ferenc Varnai: "The Reform Calls for a Sustained Effort"]

[Text] Only a few years ago we in Hungary at times wondered if our reforms had isolated us from the other socialist countries. Now the question has to be formulated differently: are we in danger of lagging behind? For today many of the socialist countries are taking steps to alter their economic mechanism, and improve their political, ideological and cultural institutions.

"The process of renovation, a far from easy one, which is now taking place in the socialist world, is of historic significance," said Janos Kadar in his speech to the country's National Assembly at the end of September. "For a number of reasons the process of taking different forms in the Soviet Union and in other European socialist countries. We welcome this process. There was a time when because of our reform it was thought that we were applying capitalist methods. But today we no longer stand alone in putting through these much needed innovations. The changes in Hungary are part of the general process of renovation that is so important not only for the socialist system, but for the whole of humanity."

The pace of the reforms, naturally, differs from country to country. It depends on each country's needs and potential, as well as on the stand taken by its leadership and its specific national features. The fact that more and more socialist countries believe changes to be essential can be explained by the serious difficulties that have arisen. Socialism as a social system should provide the working people with better social conditions and a higher standard of living. That kind of progress would

make socialism much more attractive. We must ensure better organization of work and production, and make every working man and woman feel that he or she is the real master of his or her factory, and of the country. In other words, at a time when momentous historic changes are taking place worldwide, we must do more than just to resolve whatever day-to-day problems face us. Our aim is to make socialism more effective, and ensure its better functioning.

The efforts that are being made to resolve these problems are drawing the socialist countries closer together, and making them more interested in and eager for close cooperation (and this remains true even when urgent problems compel one country or other to fall out of step). That is why each country will look to the experience of the others and compare it with its own. It will also compare the causes, character and direction of the reforms under way, as well as different approaches to domestic and economic policy, and culture. This is being done not because it has been compelled to do so, nor because protocol demands it, but from its own conviction.

Faced with common concern, the socialist countries feel the need to do away with unnecessary formalities in their relations, and expand practical cooperation based on their common interests as they seek to interpret them more fully.

That is why the Council for Mutual Economic Assistance is concentrating increasingly on looking for solutions that would indeed promote progress. This is evident from the conclusions drawn by the 43rd (additional) session of the CMEA Council held recently in Moscow. The members of the socialist community are coming to realize that it is not enough merely to desire to set up joint, say Soviet-Hungarian, enterprises. Optimal solutions must be found that will take into account the real interests and possibilities of each of the sides, and the whole mechanism of socialist integration must be changed.

We Hungarians for a long time took pride—and I believe we had every reason to do so—in the openness of the policy we pursued after the events of 1956. Experience itself prompted this openness. It was the only way we could successfully fight demagoguery, the only way we could regain the trust and confidence of the masses. Today we have to admit that the achievements we scored in the sixties and seventies have perhaps to a certain extent made us complacent. We continued to take pride in our openness but we no longer always exposed—in fact we sometimes concealed—new problems: problems arising from changes in the world economy, that affected us

adversely, and from our own miscalculations. When in spring of 1985 there was a turn towards glasnost in the Soviet Union, we repeated that in Hungary it had existed for a long time. [as published] But what we should have done was to advance further towards practical solutions to our problems.

This needs to be said for another reason as well—for not everyone in Hungary feels the same about the changes taking place in the Soviet Union, although the overwhelming majority sincerely wish to see the perestroika in the Soviet Union implemented fully. If the pace of economic progress in the Soviet Union is stepped up, if its industry and agriculture are modernized and their output comes up to world standards, if socialist democracy spreads its wings, and that great country sets the world an example in the quality of life it offers its people—if all that is achieved it will have a most favourable effect on the other socialist countries, as well as on the economic, political and cultural development of those countries that have chosen the course of socialist orientation.

We have our share of people who have adopted a wait-and-see attitude. We have people who, faced with the difficulties the country has come up against, are inclined to be sceptical and mistrustful of the renovation process both in the Soviet Union and in the socialist world as a whole. Then there are people who, because of their great admiration for the technical achievements of the developed Western countries and the high standard of living of considerable sections of capitalist society, tend to regard the West as an example to be emulated. It is those who do not believe or do not want to believe in the success of perestroika.

The fact that today we are not trying to distance ourselves from our problems but to discuss them openly is due in no small measure to Soviet glasnost.

Addressing the National Assembly, our Prime Minister Karoly Grosz said: "The decisions taken by the Central Committee of the Hungarian Socialist Workers' Party in November 1986, and in July of this year—decisions on which the government's programme is based—continue and renew the bold and farsighted policy that pulled the country out of the tragedy of 1956, advanced socialist agriculture to a new level, proposed and carried through the economic reform, and promoted socialist democracy. It is essential for us to adhere to the spirit of that policy, to acknowledge just as openly the problem that have accumulated in our economy and our political institutions, and to show as much determination as we did during the grime trials of the past."

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Contents of LATINSKAYA AMERIKA, No 9
18070022a Moscow LATINSKAYA AMERIKA in
Russian No 9, Sep 87 pp 3-4

[Text] Table of Contents

EDITORIAL COLUMN

"The Crisis of Dependence".....5

Nikolay I. Zhdanov-Lutsenko, "Latin America in the
Pacific Context".....7

Vladimir M. Kulistikov, "Instability: The Vicious Circle
of Peripheral Politics".....19

Olga P. Proselkova, "The Situation in Chile"..... 32

DISCUSSIONS AND DEBATES

"The Nonaligned Movement—A New Stage of Develop-
ment" (Conclusion) 41

THE USSR AND LATIN AMERICA

"Capablanca on the Movie Screen" (Interview with
Manuel Herrera)..... 65

Victor Vidal (Chile), "Allende Portrayed in Bronze" . 69

ART AND LITERATURE

Sergey B Merzhanov, "Oscar Niemeyer, Architect and
Citizen" 71

POLEMICAL NOTES

Nikolay A Vasetskiy, "Tact and a Responsible Approach
Are Important" 81

Sergo A Mikoyan, "Truth Comes to Light in Debate" .
90

ARTISTIC JOURNALISM

Roman Samsel (Poland), "The State of Emergency" "
Translation by Xenia Staroselskaya 93

FROM OUR CORRESPONDENTS ABROAD

Anatoliy N Borovkov, "The Russian Colony in Mexico"
..... 114

THE JOURNALIST'S NOTEBOOK

Vladimir Reznichenko, "Life Near the Cemetery Wall
(Features of an Urban Landscape)" 114

DIALOGUE WITH READERS

Aleksey Ye Yeliseyev (Leningrad), "A Meeting in Lenin-
grad" 132

Aleksey V Petrov (Kiev), "A Readers Conference in
Kiev" 133

Aleksandr M Bazhenov, Sergey R Khukhrov (Tula),
"The Journal and Its Readers: A Conference in Tula" .
134

COMMENTARIES

Anatoliy A Sosnovskiy, "Trade Unions Against the For-
eign Debt" 136

Aleksey P Kireyev, "Disarmament for Development" ..
137

Eduard L Belyy, "Trinidad and Tobago: A Quarter
Century of Independence" 139

Jose Miguel Varas, "A Communist and Comrade" . 144

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8936

**Editorial Praises LA Economic Integration
Projects**

18070022b Moscow LATINSKAYA AMERIKA in
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[Article under the "Editorial Column" rubric: "The
Crisis of Dependence"]

[Text] The blind alley of nuclear confrontation... The
globalization of ecological, raw material, energy and
other problems... The crisis of economic structures based
on dependence... It is apparent that a different world
order is emerging, in the form of interdependence. Its
characteristics are not confined to a new combination of
contradictions among the United States, Japan, and
Western Europe; they have already far exceeded these
limits.

The United States—the acknowledged leader of the
world capitalist system, the "creator" of postwar eco-
nomic dynamics and the key world currency—has
become the largest debtor. The deficit in America's
balance of trade with Japan, West European states and
certain other countries reached nearly 150 billion dollars
last year. By the end of this decade, the United States'
net foreign indebtedness alone will exceed one-half tril-
lion dollars; this does not take into account its national
debt, which is even larger—as the result of vast military
expenditures. Japan, which only three decades ago was
under the heel of American imperialism, has become just
the opposite, the largest international creditor. At the

same time, Japan's favorable trade balance is increasing—today it is nearing 100 billion dollars annually. By the early 1990's Japan will be a net creditor which will be owed one-half trillion dollars.

Clearly, unprecedented geopolitical problems are emerging as the result of these trends alone. How long can the world's largest debtor remain a leading world power? When, how and in what form can an island state which is relatively small in area and which does not actually possess any of its own natural resources secure its leadership in the developed capitalist world?

It seems that a consolidated West Europe is also finding what Great Britain, Germany and France lost at different times and for different reasons in the field of science and technology, in the range of industrial and agricultural production, and in the financial field.

In the meantime, the capitalist periphery, as paradoxical as this may seem at first glance, is still turning out to be incapable of seriously playing on interimperialist rivalry, and is falling prey more and more to the united economic selfishness of the West and its global ambitions. This is being vividly demonstrated by the Western powers' position on the problem of foreign indebtedness. Against this background, the peripheral states' striving to find effective collective forms of protection seem natural. The recent revival of integration efforts among Latin American countries is an example of this.

The problem of unity has persisted for many generations of the region's leaders, beginning with Bolivar. However, they have not succeeded in doing enough to realize it (take as an example the experience of the Andean Pact, the Caricom [Caribbean Common Market], and even the SELA [Latin American Economic System]): the various nationalistic aims, the instability of the regimes, and of course the policy of the West, directed against the concept of regional and subregional integration, which has encouraged conflicts among the peripheral countries, have had an effect. For this reason, the signing of a series of agreements in the border city of Foz do Iguacu, which marked the beginning of Argentine-Brazilian integration, was not only an important milestone in South America's history, but a symptom of the crisis of dependence, of changes for the better in world development, and of enmity toward the new patterns of economic relationships which are taking shape in the course of the centers' competition.

This trend was reaffirmed by Brazilian President Jose Sarney's visit to Argentina on 15 and 16 July 1987. Ten new protocols signed during the visit were aimed at extending integration, which has already made it possible to increase commodity turnover between the two countries from 800 million dollars in 1985 to 2 billion dollars at present.

The signing of a protocol authorizing a provisional unit of currency, the "gaucho," named in honor of the inhabitants of the Argentine pampas and the rural areas of Brazil, was an important step on the path of extending the integration process. A foundation is thereby being laid for the formation of a Latin American "common market," capable of promoting the establishment of a zone of peace and economic cooperation in the South Atlantic.

The current debtors, suffering from the crisis in their social structures, do not intend to stand still. Critical internal processes do not provide hope for stability either, unless positive changes in economic development take place. It may be assumed that integration processes in the southern part of the continent (and they are already being extended to Uruguay as well) can become the most important factor on a continental scale.

If Latin American countries could manage to coordinate their political will, it would also be easier to resolve the region's most critical political problems, such as the Central American crisis, elimination of the dictatorial regimes, and reinforcement of the foundations of democracy on the continent. For this reason, the question of collaboration in all areas is not a rhetorical one, but one which involves the entire social life of the region.

Ties with the socialist countries are important in this regard. The recently concluded agreement between the SELA and CEMA indicates that this process is gaining in strength.

Thus, interdependence in the modern world is a complex and contradictory phenomenon. Nevertheless, it is a reality of the modern age. It should be the basis for new political thinking in all parts of our planet.

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8936

Latin American States' Role in 'Pacific Community' Assessed

18070022c Moscow LATINSKAYA AMERIKA In Russian No 9, Sep 87 pp 7-18

[Article by N. I. Zhdanov-Lutsenko: "Latin America in the Pacific Context," dedicated by author "in memory of my teacher, Professor Vladimir Alekseyevich Krivtsov, of the Diplomatic Academy of the USSR Ministry of Foreign Affairs"; editorial notation states that article is to be continued]

[Excerpts] The vast Pacific region has begun attracting an increasing amount of close attention from researchers and political figures since the early 1980's. The territory of countries which look toward the Pacific Ocean—taking the Latin American countries into account—comprises 52 percent of the earth's land surface. More

than half the planet's population will be living on it by the year 2000, according to some estimates. More than 48 percent of the VVP [gross national product] of the nonsocialist world, more than 56 percent of the hard coal in capitalist countries, 35.8 percent of the iron ore, 50.2 percent of the copper ore, 54.3 percent of the lead, 70 percent of the tin, and a significant proportion of other minerals, including strategic raw material such as oil, came from the Pacific basin, including Canada and the coastal countries of Latin America, in 1980. In world trade, this region accounted for 36.5 percent of the exports and 36.7 percent of the imports in 1982, and the volume continues to increase.

Considering the vast size of the region developed around the planet's largest ocean, specialists have begun calling it the "Pacific hemisphere," emphasizing the semiglobal nature of the processes taking place there, and they have named the next century "the Pacific century." There is a certain amount of professional subjectivism in such an interpretation, of course, although the dynamically increasing role of the Asia-Pacific region in the world economy, the system of international division of labor, and global politics is already an indisputable fact.

The chaotic growth of trade and economic contacts in the Asia-Pacific region over the past decade has experienced the effect of a trend toward regulation. This process, which has taken on an integrative nature, is leading to the formation of different national mechanisms to regulate interrelationships in the economic, political, cultural and other fields. Naturally, the direction they will take and whose interests will be developed depend on who exerts the most influence on the process of regionalization. The struggle for control over integration processes in the Pacific basin has become the cornerstone of the practical policy of the leading imperialist states in the region. In the present stage, such antagonism is expressed to a significant extent in a dispute over the conceptual foundation of Pacific integration and in the selection of priorities which will become like "lines of force" to shape the international regional structures. The composition of possible participants is also of fundamental importance. Against a background of the restrained attitude by the states of Southeast Asia toward the concepts of regional integration under the aegis of imperialist powers, both of them are thinking more and more often about the place that the southeastern sector of the basin—Latin America—can hold in Pacific regionalism.

Historic Ties

At the beginning of this century, a young capitalist state on the other side of the Pacific—Japan—came forward as an active supporter of the development of mutual relationships with Latin America. After embarking on the capitalist path after the "Meiji revolution," it quickly learned the lessons of the great powers in the West and turned itself into a forceful imperialist plunderer. Now Japan was looking far from its shores for sources of raw

material, food, and so forth, as well as the most suitable areas for its colonists to settle. The immense opportunities, fantastic wealth, and undeveloped territory of the distant continent, magnified many times over in the Japanese imagination, made Latin America a dream, an "Eldorado," the place for a pilgrimage by thousands and thousands of emigrants from the densely populated Japanese islands. The famous slogan "We will unite the eight corners under one roof," which foreordained the great war in the Pacific in the name of establishing the "Greater East Asia Coprosperity Sphere," emerged in this very period of intensified Japanese expansionism.

After taking the first steps into the outside world after many centuries of self-isolation, Japan was confronted by the cruel laws of competition among the imperialists, which turned out to be entangled in a system of inequitable treaties with the Western powers. Japanese diplomats made tremendous efforts to do away with the system, and it was precisely the states of Latin America that played an important role here. The treaty with Mexico became Japan's first international agreement based on equal rights. The agreements on friendship, trade and navigation with Latin American states was more diplomatic than economic in nature, inasmuch as initially there was no real basis for the development of trade relations. Trade with South and Central America was begun when thousands of Japanese migrants were rushing in search of new opportunities to earn their living.

Japanese trade expansion into Latin America in the early 1930's was viewed by many not only as an attempt to make up for what had been missed, but also as a premeditated trade war against Great Britain in response to prohibition of the sale of Japanese goods in British markets. The desire to link economic considerations with politics explains the readiness with which Japan, despite its serious financial difficulties, was able to seek out the means for organizing colonies in South America, which required significant capital expenditures, not to mention the additional transportation subsidies, the establishment of new trade representations abroad and other investments without the promise of a fast profit.

After adopting the policy of redividing the Asian-Pacific part of the world, Japanese imperialism undertook the first economic onslaught into Latin America as well, in order to develop significant long-term reserves of strategic materials. This prewar trade pressure laid the foundations for more substantial economic penetration after the war, which took the form of large-scale political and economic expansion in the 1970's. The first attempts to reexamine the traditionally insignificant place held by Latin America in the Japanese perception of the Pacific region, as well as the entire outside world, also were made in the prewar years. When the war against the United States was begun, Japanese diplomats concentrated on attempts to split the pan-American alliance by radically improving relations with each individual country on the continent. Latin America ceased to be viewed

in Japan's Ministry of Foreign Affairs as a traditional place for "diplomatic exile" and was turned into one of the advance lines of the "invisible" war.

Severance of relations between Latin American states and the fascist "Axis" powers at U. S. insistence frustrated all the Japanese plans. The situation began to change only during the postwar years, when the economic aspirations of the Latin Americans and Japanese coincided to some extent. This was the period of rebuilding the Japanese economy and the first Latin American attempts at industrialization to take the place of imports.

Japanese investments in Latin America became one of the fundamental factors in the development of interrelationships. A number of factors (the lack of free capital for speculative investments abroad, the greater attractiveness of East Asia, and the like) held back Japanese investment here in the prewar years. However, the changed political situation in East and Southeast Asia after the war, related to the strong anti-Japanese moods and Japan's reconsideration of the entire system of Pacific ties, as well as heavy demand for raw material for the rebuilt industrial enterprises, made the investment of Japanese capital in other parts of the world absolutely essential.

Japanese investments in Latin America have been typically diverse from the very beginning. Some of them were put into enterprises which, as expected, would meet Japanese raw material needs. Others were called upon to promote standardization of the Latin American economy, which is important to market Japanese products. As a result, in literally a few years (throughout the 1960's), Japanese investments in Latin America were transformed from a modest undertaking into huge long-term commitments. This was perceived with optimism by both sides. The Japanese saw fewer and fewer obstacles to their access to the necessary raw material and new markets for their products. The Latin Americans, in turn, welcomed the aid which contributed to development of their economy and lessened their dependence on the Western powers, chiefly the United States.

Thus, the mutual aspirations of the sides, which accentuated accelerated development of economic ties in the Pacific basin, coincided for the first time in the postwar period.

On the Path Toward Pacific Collaboration

Right up to the end of the 1960's, Japanese-Latin American relations were a typical example of the existence of isolated intraregional contacts linking individual Pacific states with each other bilaterally. However, at the beginning of the 1970's, the level of such contacts that had been reached led both Latin America and East and Southeast Asia toward the concepts of the necessity for regional collaboration. While previously the Pacific region was mentioned basically in connection with geopolitical and strategic concepts (mainly American ones),

intensive expansion of trade, economic and technical ties had been begun by this time among the countries of the South Pacific, Asia and the Far East, Oceania and Canada.

At the same time, Latin America's involvement in these integration processes among countries in the Asia-Pacific region was insignificant until the mid-1970's. The United States continued to be practically their exclusive partner. Latin American trade with other Pacific countries amounted to only 10 percent of the continent's entire foreign trade, while Japan's share was nearly two-thirds and Canada's about one-third.

The pattern of trade with other states in the Pacific basin has taken shape roughly as follows: Latin Americans have traditionally exported mineral raw material, chiefly oil, copper, and bauxite, as well as agricultural products, including coffee, cotton, bananas, and ocean products (primarily to Japan and Canada). In the other direction, wool was sent from Australia and tin from Malaysia; the large Latin American countries (Mexico, Argentina and Brazil) imported industrial equipment from Japan and Canada, and the less developed (the Central American countries) imported consumer goods from Japan and Hong Kong.

As far as other countries in the Pacific region are concerned, there were practically no commercial ties between them and Latin America up to the mid-1970's. Latin Americans have had a rather poor conception of the trend of economic development in other countries in the basin. This has severely hampered compilation of any forecasts of the development of economic ties between Latin America and other Pacific states, whose role in the world economy has been increasing rapidly.

The energy crisis of 1973 became a kind of watershed between two periods of international relations. While calculation of the direct economic gains was the determining factor before the crisis period, the political aspects of foreign trade relations began to assume an importance that was quite independent as the result of the war in the Middle East. In their attempts to secure their economy from the political consequences of regional conflicts, the developed states of the Pacific basin, chiefly Japan, studied fundamentally new opportunities for diversifying their sources of raw material and fuel and searched for stable and various partners, primarily in the Asia-Pacific region itself. Professor Saburo Okita, a theoretician of Japanese expansionism who subsequently was minister of foreign affairs in M. Ohira's cabinet, frankly set forth Japan's approach to the Latin American subcontinent. "Japan," he stated, "has concentrated its attention excessively on Southeast Asia, but I think it is unwise to limit ourselves to just one sphere of influence in the world. We must take into account the fact that Japan is now a world trading partner, not a regional one, and we have to extend ties with other parts of the world, primarily Latin America..."

By now it has become one of the main directions of the Japanese policy of diversifying fuel and raw material sources. It is no longer a question for Japan whether it needs to devote more attention to collaboration with Latin America, especially with respect to the increasing need to expand Japan's export and import markets and the relatively new trend of taking labor-, power- and materials-consuming production facilities, as well as those that are ecologically harmful, outside the country. The number of mining and processing industry enterprises built in Latin America with Japanese participation in the 1970's and early 1980's has been steadily increasing.

The Japanese made their investments in three ways: first, by acquiring shares in new mining and processing industry enterprises, and secondly, by giving credits for technology purchases. And thirdly, funds came to Latin America in the form of direct capital investments from private individuals to enterprises fully owned by Japanese. At the same time, the capital investments in the processing sectors were to promote expansion of Japanese exports. A substantial part of them went into the motor vehicle and steel casting industry in the 1970's; in Central American states, investments were made in the chemical and light industry (textiles, for example).

In addition, more and more transnational corporations were operating in Latin America with a predominance of Japanese capital; they concluded contracts with individual governments for the construction of state enterprises, primarily steel casting and oil refining, as well as port structures. The number of Japanese employers interested in studying the resources in the Latin American region and assimilating them through joint ventures has increased. Such states as Mexico, Chile and Peru, and of course, Brazil on the Atlantic, have been especially attractive to the Japanese.

The same thing also could be said about Canadian capital, which penetrated Latin America in the first quarter of this century, when the Canadians invested it primarily in municipal services. In the mid-1970's Latin America became a major objective for Canadian private investment in the banking system and the mining industry and its related metallurgy, woodworking and paper sectors. Nevertheless, the Canadians' direct capital investments in Latin America have constituted only a minor portion of this country's total export capital.

Australia had practically no investments in Latin America by the mid-1970's, while New Zealand granted credits to Latin Americans from time to time to finance the export of surplus agricultural products here. Inasmuch as Australia, New Zealand and Canada are themselves capital-importing countries, it is difficult to expect these countries to make significant investments in Latin America, but in the long term they may be needed to balance trade.

Relations between Latin America and a Pacific power such as the People's Republic of China are a separate matter. In their search for points of contact with Latin American countries, the PRC leadership attaches great importance to propaganda on cultural and historical "community" with them. Thus, by developing the theme of special relations with Latin America in the past, the Chinese leaders attempted to establish a base for carrying out the policy of a "Pacific community," that is, developing a certain cooperation among countries in the Pacific basin, as far back as 1971-1973. With this objective, they cited "data" on old trading routes in the Pacific between China and Latin America, on archeological finds of ancient Chinese artifacts, and so forth. Despite the fact that the "Pacific community" policy was followed up by individual Latin American press organs, it was not developed. However, it would be premature to disregard the possibility that Chinese diplomacy in this direction may be reactivated, inasmuch as a number of Latin American countries, Mexico in particular, are showing interest in establishing a "Pacific union" in the future based on countries in the Pacific region.

It should be noted that economic policy is the most important direction in China's Latin American strategy. Chinese-Latin American economic relations during the 1970's and 1980's have shown extraordinary activity and a wide range of specific types and forms: trade development based on the conclusion of short-term and long-term agreements, scientific and technical collaboration, and loans and commodity credits, as well as the exchange of experience and specialists in different sectors of industry and agriculture.

The thesis that the PRC's limited economic capabilities in undertaking major systematic trade and economic operations with countries on the continent set objective limits to Beijing's activity is disproved by the facts. First of all, the PRC is capable of making unilateral purchases of Latin American goods for a rather long time without being practically concerned about a trade balance deficit. Secondly, intensive scientific and technical collaboration is possible, apart from trade ties alone. Thirdly, a dialog on questions of establishing an NMEP [expansion unknown] appears practicable. This is why Latin America, as the most developed part of the "Third World," should play a role of no small importance in realizing the PRC's long-range strategy in the Asia-Pacific region.

Natural Resources and Barter

In the late 1970's and early 1980's, Mexico insisted on speaking of itself as the largest potential supplier of oil in a position to surpass Kuwait, Saudi Arabia, and other oil-producing giants in the Middle East. This was also related to the fact that Mexican President Jose Lopez Portillo made an abrupt shift in national policy from conservation of the country's natural resources, which his predecessor, Luis Echeverria Alvarez, had been pursuing, toward the use of oil as a basic means of speeding up modernization of the economy.¹

It is not known how much oil Mexico will be able to supply to Japan², since the Mexicans' closest neighbor, the United States, is the world's largest oil consumer, although it is generally acknowledged that the country is assuming more and more importance for the Pacific basin. This is why most recently there has been a clear tendency to include Mexico in the processes of Pacific integration.

Mexico also is planning to sharply increase its natural gas production. A gigantic pipeline 1,320 kilometers long and 1.2 meters in diameter has been extended from the state of Tabasco along the coast of the Gulf of Mexico through the cities of Tampico and Nuevo Laredo to the American state of Texas. It can carry more fuel than the famous Alaska pipeline. Work on its construction was begun in the first half of 1978 with an investment of 1.5 billion dollars. It now has the capability of delivering up to 2 billion cubic feet daily.

Apparently there is every reason to expect that Pacific integration processes will also leave their imprint on the pattern of crude oil imports by the leading capitalist countries in the region after it has been gradually reoriented to the Pacific area, where the resources of Latin America will be more and more involved. Specific examples from the recent past illustrate this trend rather eloquently. In particular, when Iran threatened to cut back oil deliveries to countries which support the American administration's sanctions, Tokyo immediately asked the Mexican Government to increase shipments of crude oil in exchange for loans to finance Mexico's development programs. So the Japanese offered to grant loans of 160 million dollars to finance construction and renovation of three metallurgical combines, including the plant in (Cicares), which will become the key link in the Lazaro Cardenas industrial complex planned on the Pacific coast. It has not been ruled out that the loans offered by Japan may turn out to be only an advance payment for Japanese capital's participation in modernizing the Mexican economy for a longer term. It is difficult to say to what extent the United States has given its blessing to Japan for rapprochement with Mexico, but it may be stated with certainty that the Japanese have resorted to more improvisation, proceeding from their own national interests, than the Americans would like.

Initially Latin America was only one of the directions for the Japanese policy of diversifying fuel and raw material sources, but later, in connection with the development of oil and gas deposits in Mexico, new copper mines in Chile and iron mines in Brazil, it became one of the key directions for Japanese expansion in the Pacific basin. After establishing Latin America as a strategic direction for its multilateral expansion in the Asia-Pacific region, Japan made use of its economic might cumulatively to speed up its conquest of the subcontinent and quickly left behind all the traditional investors, except for the United States.

The intensified contacts between Japan and Latin America in the area of natural resource exploitation may bring forth new fundamental shifts in the regional arrangement of forces.

However, Japanese-Latin American trade and economic relations, which have developed rapidly over the past two decades, could not help but lead to a serious problem, over which Japan already has differences with the overwhelming majority of its trading partners. It is no secret that Japan is striving to sell more than it purchases. Until the early 1970's, when Japan turned to Latin America, this region was one of the few with which it had a chronically passive trade balance. Japanese expansion was so rapid that in the early 1970's the overall active trade balance with Latin American countries exceeded 1.6 billion dollars. This trend was even more pronounced in the 1980's.

The reason for such a radical change is that during the 1950's and 1960's Japan made relatively large purchases of raw material and foodstuffs in the countries of South and Central America when its own exports to the subregion were negligible. Japanese industrial goods poured into here later on. Today the situation is such that the balance of trade in Japan's favor is increasing rapidly, and nothing points to changes in this trend. While Mexico is in a position to correct the trade imbalance somehow by speeding up its oil exports, other Latin American countries are deprived of this opportunity. Even Venezuela, one of the largest oil exporters, capable of meeting up to 10 percent of Japan's oil needs, cannot put bilateral trade on an even keel. It is even more difficult for the less developed countries. Thus Colombia, in attempting to correct the imbalance, was forced to make a decision limiting the importation of durable consumer goods from Japan.

To a considerable extent, the bilateral trade problems have been caused by the Latin American countries' foreign debt crisis. These circumstances, evidently, will provide new political opportunities for Japan. It is obvious that the possible involvement of Latin America in the ambivalent processes of Pacific integration has to be examined on this plane.

Footnotes

1. Mexico's potential oil resources are estimated at 200 billion barrels (1 barrel equals 159 liters), but the explored resources vary from 2 to 30 billion barrels, according to various estimates. Saudi Arabia's oil stocks are now estimated at 15 billion barrels.

2. Before reorientation of the Japanese economy to the science-intensive sectors, Japan obtained 99 percent of the oil it needed from abroad, and about 70 percent of it was shipped from the Middle East.

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Nature of Latin American Political Instability Examined

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[Article by V. M. Kulistikov: "Instability: The Vicious Circle of Peripheral Politics"]

[Text] Today democracy, but tomorrow? The representative systems which were restored in the late 1970's and early 1980's are still on the rise. But their future is troubled. Latin American democracies are fragile. Latin American dictatorships are not eternal, either. But they return. The instability which strikes one's eye is a feature lying on the surface of the region's political life. Dictatorships are replaced by democracies, and vice versa. Why does the pendulum swing back and forth? What laws govern the operation of this strange mechanism and when will its windup come to an end?

We may cite the "dependent, belated capitalist development." We may refer to the "Iberian political culture" or the "corporative social relationships." This is what is done by the traditional positivist "politology [derogatory term for political science] of development," the basic objective of which is to show the backwardness of the periphery of the capitalist center—the United States and Western Europe.

There are cogent reasons to doubt the value of these concepts. First of all, they are based on hardly any of the data which the social scientist is accustomed to trust: the results of research on specific relationships. While the fund of information already accumulated on processes taking place in Brazil, Argentina, Mexico and Uruguay is meager, there is no such knowledge about the less developed and more closed countries (Chile, Paraguay). The only source of conclusions is basically what is reported.

Secondly, traces of the prejudices of the old anthropology, which cultivated notions of the "inferiority" on non-European peoples, are too apparent in the concepts. The evolution of the latter appears as a repetition of the path followed by the West, and their political development as a process in which they failed to assimilate the values and transplantation of the institutions of bourgeois democracy. Any originality is perceived as backwardness and barbarism. From these positions, instability is just the evidence of a lack of skill and the Latin Americans' fatal inability to "put things in order."

Thirdly, the "politology of development" does not inspire confidence because of two erroneous predictions. In the 1950's it promised Latin America an era of democracies, and in the 1970's, an era of dictatorships. The predictions turned out to be nothing but incantations. The violent Latin American reality was subdued on paper with their help to oblige the schemes of one school or another. The shock from the collapse of theories that had seemed so convincing led to the point where

today the Latin Americanist politologists [derogatory term for political scientists] avoid global forecasts and content themselves with systematizing the facts picked up from sources that are not entirely reliable.

But perhaps the worst sin of the "politology of development" lies in the fact that it fabricates the subject of research and turns it from a copy of reality into an intellectual illusion. What is being studied in the first place? The same institutions and organizations which turn out to be at the center of the politological analysis of the problems of bourgeois democracy in the developed countries of the West: parties, pressure groups, the bureaucracy, and executive, legislative and judicial authorities... The reservation is made that some of them (parties, for example) exert influence more weakly, but others (the army) exert influence more strongly on the decisions made than in Western society. Hence the coups and the instability.

But Latin American parties are created, developed, and operate in accordance with plans that are different from those of parties in the United States or West Europe. Latin American armies are organizations that are unlike the armies of the capitalist center. The customary titles conceal the elements which make up a unique political system. And this uniqueness is not by any means the result of Latin American society being stuck at a small station that was bypassed long ago by the West, but the product of creative work, a means of existence and survival for the elite, under the conditions of a non-Western society which has been patterned after the West.

In order to comprehend the meaning of instability, to break the spell of the vicious circle of politics on the periphery, we must renounce the disparaging attitude toward the forms of political organization and methods of government originated in Latin America and discern the functionality of these forms and their suitability for local conditions behind the succession of operetta entrances by the "patriarchs." This does not mean, of course, that we must forget about the misfortunes endured by the people whose rulers have been so successful in the art of survival. Moreover, such an approach requires that the category of "responsibility" be utilized more actively, inasmuch as one political form or another is looked at not as the consequence of a game of blind forces or the development of "natural" processes, but as the product of a choice made by responsible figures at crucial points in history.

In anticipating accusations of reanimating an interpretation of history "according to the tsars," I would like to recall a truism: illiterate persons who have been crushed by poverty and exhausting labor stand outside of politics. There also are a quite a number of such outsiders in today's Latin America. But what can be said then about the past, the era when a bourgeois state system was originated in the region? Is it ethical to place the responsibility for the content of politics and its forms of

implementation on the people who remain outside of politics? And is it not more productive to concentrate attention on the ones who really have been making and are making policy?

The Underground Constitution

Until 1958, Venezuela was among those which held a record for instability. It was manifested not only by frequent coups, but by an absolute reshuffling of the constitution. Since the the proclamation of independence, the country has tested 23 basic laws, and not one has stood the test of time!

Argentina, on the other hand, provides an example of constitutional permanency. The constitution of 1853 has been in effect there right up to this day (with minor interruptions). But this has not made the country's political life more stable.

The two contrasting examples say a great deal about the role of constitutional law in regulating actual political relationships. On the one hand (the Venezuelan experience), the principles of this law are not held in pious regard among the ruling elite; there is no consensus among the individual groupings concerning their meaning, as there is no sacred tradition for them which inspires respect. On the other hand (the Argentine drama), the constitutional norms are so pretentious and the mechanism for verifying adherence to them is so weak and inefficient that the basic law does not stand in the way of any change in the political regime. Thus we are faced with two paths of constitutional development. The essence of the first one is the unceremonious alteration of basic laws in conformity with the requirements of the shifting political situation. The essence of the second one is a reorientation of the same norms and institutions that is just as unceremonious, depending on the needs of the political regimes which replace each other.

There is a lack of reliable constitutional and legal guarantees of stability. At first glance, it appears that it is the result of miscalculations in juridical technique. Thus the provisions in bourgeois democratic constitutions on the emergency powers of the president are an obvious loophole for dictators. The wrapping up of "habeas corpus" postulates in frankly tyrannical laws is a safety valve for those who are struggling for democratization. But the norms which make it possible to change the nature of a regime are not revived and destroyed by themselves. Their change is the result of shifts in the distribution of forces taking part in a dispute over authority. The dispute is political, not legal, in nature.

On these grounds, certain Latin Americanists express the view that statehood is "politicized" in the region, unlike the developed countries in the West, where "legal states" exist. In accordance with this logic, the political process in Latin America takes place outside the norms and

conventions—the latter are modified in an "ad hoc" manner. An impression of chaos, a kind of primitive struggle by everyone and against everyone, is created.

The impression is superficial, engendered by legal fetishism. The main feature of politics in the periphery is just that it is regulated not by the formal directions of constitutional law, but by a second, underground system of norms which have been recognized and are applied in practice by the majority of groupings in the ruling elite. Those being governed often do not suspect that these norms exist, either. The most vivid and painful example of the gap between the official and actual constitutions in Latin American countries is the role of the army in the political process.

The basic law of Peru, adopted in 1979, proclaims that the armed forces are barred from any participation in politics. Servicemen may not vote or be elected to state positions, and they must demonstrate their absolute loyalty to the civil authorities. A tragic episode—the violence against political prisoners in the capital's prisons in mid-1986—demonstrated that the organs elected by a democratic process refrain from using the powers given to these organs by the constitution in dealings with the military. The same situation is encountered in Brazil, Uruguay, Colombia, and even Argentina. In these countries as well, the democratic governments regulate their relations with the army on the basis of unofficial, underground norms which take into account the real political potential of the armed forces. The constitutional directions for a politically neutral army which is obedient to the legal authorities are only a dream, far from reality.

By acknowledging the special role of the army and allowing a military coup as a means of changing the government, the conditions, and the political policy, Latin American underground constitutions make instability a permanent feature of local politics. However, it should not be supposed that the armed forces destabilize only the democratic regimes. Even military dictatorships experience fear of the military: dismantling them is inconceivable without the appropriate desire of the army leaders, as a matter of fact. To recapitulate: Latin American armies are by no means the "parties of dictatorship," and their inconsistent political conduct (now for a dictatorship, now for democracy) is the factor of their instability.

The forcible method of resolving political disputes widely practiced by the army also undermines stability. Violence turns the political process into a succession of surprises: who can say precisely at which moment, in what way and in which direction the compulsion will change the course of events? The unpredictability is enhanced by the closed nature of decision-making by the military leaders in a framework isolated from the public.

Meanwhile, it is naive to assume that by its nature, method of action and internal conditions the army is a kind of unique element in the political system which has

taken shape in most Latin American countries. The other components of it—the parties and trade unions—cannot be called consistent supporters of one of the political regimes who are guided by principle, either. In 1973 the Chilean Christian Democrats supported the dictatorship, and today they are spurring on its collapse. In the Dominican Republic, the party of Trujillo is meticulously adhering to democratic procedure, but in Argentina, the Peronists, once sworn enemies of the military, have invited the army time and again to intervene in their political dispute with the Radical Civic Union.

The army does not have a monopoly on the use of force, either. Party and trade union fighters linked with legal organizations and clandestine paramilitary units complete the picture of political terror. In Brazil, the “pistoleiros” are disrupting agrarian reform by force—the opposition on the right is fighting against the Sarney administration. In Colombia, the reaction is terrorizing the left, and in Central America, respectable politicians are directing strikes by the “death squads”...

And the decisions made in parties and trade unions are not notable for their openness. Clientism and clannishness are features typical of their internal activity. The result is sharp shifts in policy that are inexplicable to the detached observer, the advancement of adventurers to leadership positions, the sudden disappearance of capable leaders and their replacement by untalented persons of mediocrity who are capable of ruining all their work, and ideal conditions for activity by foreign agents, ethnic associations, secret orders, and elitist clubs.

Politics as an Experiment

According to the old cultural anthropology interpretation, the alternation of dictatorships and democracies in the region is caused by the struggle between the “indigenous” (authoritarian) principle and the alien democratic principle that was adopted. It was stated above that the “party of the dictatorship” and the “party of democracy” are only masks which the same actors change in different situations. For this reason, another explanation of the phenomenon is suggested: such alternation is possible only when there is an instrumental, utilitarian approach to the procedural aspect of politics, that is, a political regime.

Consequently, it is important which decisions are made, but how they are made is unimportant. The tragic error of legal nihilism is disregarding the fact that the quality of decisions depends directly on the method of making them. At each given moment, only that set of tools which makes it possible to achieve a goal possesses absolute value for the legal nihilist. While a consensus is observed in the capitalist mother country with respect to the procedure for exercising and changing authority, this is lacking in the periphery. Democracy may be in accord with the political goals of certain groupings in the ruling

elite in a given space of time, while others are actively “working” to establish a dictatorship. When the circumstances change, the positions also change, as already noted.

Since the political thinking of the Latin American elite has traditionally been oriented toward France, England and the United States, their devotion to the ideals of “Western democracy” is declared without any particular grounds and justifications. On the other hand, the use of dictatorial methods has resulted in volumes of apologist treatises. In different eras, dictatorships showed up by championing independence, restoring elementary order, and stimulating accelerated progress, and above all by establishing the conditions for democracy and preparing the ignorant masses for it. But behind the coatings of polish is a goal seldom sought even from the viewpoint of Christian ethics—the seizure and retention of power in the interest of one group of the ruling elite and to the detriment of its other groups. At the same time, infringement of the people’s interests and disregard for national goals have become the rule, and provision for them is either an exception or an accidental consequence, a paradox of political intrigue.

And it is not worth indulging in arguments about the Latin Americans’ innate love of power inherited from the Indian chiefs and from the conquistadors who annihilated them. The entire matter relates to a social organization which increases the flaws and weaknesses of the persons invested with authority and power which are harmful to society. And the organization is such that legal, public standards which regulate the competition among individual groups taking part in the contention for power are not in effect even within the ruling elite. In those few countries where these norms have taken shape all the same (Mexico, Venezuela), “the rules of the game” were worked out after decades of senseless bloodshed.

The fragmentary nature of the ruling strata engenders a political policy that is quite peculiar. The underground norms, which permit the use of any means in the struggle for power, release the parties and other organizations (including the army as well) from their obligation to take into consideration and equalize the interests of as many sections of the population as possible, to coordinate their activity, and to join and balance their interests. A political position is not shaped as the result of pressure from below and the side, but is contrived for the most part.

Hence the exclusive role of the utopias and schemes which have reigned over the minds of Latin American rulers at various times. Hence the political influence of armchair theorists and technocrats—serious persons as well as charlatans. Hence the invariably low quality of government, which is viewed exclusively as a tool to

wield power, not as a system to serve those who are governed. Hence the sudden volte-faces in foreign policy—the change in partners and even strategic reference points.

The divisions among the ruling elite and experimentation in politics has had a much greater significance for the democratization of Latin American society than the struggle by those at the bottom for their rights. The logic of the struggle among factions has driven the upper strata to seek allies in politics and support beyond their circle. The masses were drawn into politics long before they realized the specific nature of their own interests and the gulf which separates them from the elite. The leaders of the war for independence, the rebellious caudillos, populists and “military socialists” made their contribution to establishment of the vertical structures which are destroying the people’s initiative and wasting their political potential.

Nonstop Conquest

However, it is wrong to think that the vertical system of interaction between those who govern and those who are governed has made life easier for the Latin American elite. An important constructive element has disappeared from the political process—participation based on more or less prolonged coincidence of the interests of those at the top and those at the bottom. The schemes and utopias being proposed by the elite groups cannot become the internalized values of the people for a long time, and their stable self-organization on such a platform is impossible. Coupling between the rulers and the people is accomplished primarily by recruitment—the masses are mobilized either by reanimating the bonds of kinship and client dependency, by bribery, or by violence.

It is hard not to notice that the last means is the most reliable and promising under Latin American conditions. Rapid urbanization is destroying the traditional bonds among people. Perhaps only in the countries which have not experienced an extensive agrarian revolution (Brazil, Paraguay, Guatemala, and others) the old patrimonialism still binds significant masses of people to the elite political machine. The attempts by populist leaders from the 1930’s to the 1950’s to transfer the traditional machinery for wielding power to the cities, devising new symbols of community and dignity for the working people (“nation and family,” “workers,” and “descamisados”), were a failure. Even during the years of populism’s triumph the methods of symbolic mobilization were of ritual significance, not real importance. The needed effect was provided by the measures utilized at the same time for the partial redistribution of national income for those at the bottom.

But they were not universal, either. The dispensation of charity elevated to the rank of state social policy drained the limited resources anyway and undermined the weak incentives for productive labor anyway. The middle

class, which was shown much favor by the populists, was the product of society’s bureaucratization for political goals; it was turned into a sort of “praetorian guard,” loyal only while they were paid.

Violence came out on the forestage in the post-populist era. Tested by the conquistadors who cut their way into Indian history, it took the form of state terrorism in the neoauthoritarian regimes. Its aim was not only to suppress the opposition, but to create the conditions which would make its emergence impossible. It would be a dangerous delusion to consider this objective a utopia. It is common knowledge that the 20th century, with its gulf between technique and morality, is also terrible for those whom the utopias are being realized. In Chile, the junta has been so successful in destroying the civilian society that this has been reflected in the moral and even mental condition of significant groups of the population, primarily the youth, judging by the information from specific research. Persons who are far removed from politics are also included among the victims of deliberate violence. Mass disorderly arrests and tortures with senseless interrogations create the impression of omnipresent terror. Numerous and complicated instructions on what is permitted and what is not create a situation of extreme uncertainty and legal chaos, compel individuals to compare each step with the norms of self-censorship which have developed into a mania, and train them to see prohibitions where there may actually be none.

Dependence “A La Carte”

To the extent that the means of control over a society have been improved, the problem of instability seems even more puzzling. And the next “*deus ex machina*”—foreign influence—comes to the aid of the positivists. Latin America is part of the Western world which depends on the capitalist center, where bourgeois democracy predominates. However the United States may have regarded individual dictatorships and dictators, the vector of their Latin American policy has been aimed at strengthening representative regimes. It is difficult at times for tyrants to negotiate with the West, and they ultimately leave for this reason.

Dependence is an important factor in intrapolitical evolution, but isn’t it time to renounce the primitive notions about it, that it is only what is dictated? This does not mean disregarding the subversion by the United States in the region, of course; its political and economic blackmail of objectionable governments and the destabilizing effect of such actions are generally known. The question is: are they of independent, self-motivating, universal significance? Are the decisions made behind closed doors in Washington enough to change a regime in a Latin American country?

A wave of democratization swept over the region in the early 1980’s. But saying that the Reagan administration is the principled supporter of the democratic changes here means to fall for [klyunut na] the ardent rhetoric

contrived by the President's clever aides. Reagan's ideological program has envisioned entirely different solutions for Latin America: "moderately repressive authoritarian regimes," capable of preventing the region's slip to the left, unlike the weaker local democracies. And now, when democratization is being passed off as one of the achievements of Reaganism, the administration's rigidity in foreign indebtedness, for example, only creates additional problems, but it does not make life easier for the rehabilitated representative systems.

It seems that after the failures by Kennedy (Cuba) and Carter (Nicaragua), the United States' Latin American strategy is no longer linked with the support of some single type of political system. Rather matters stand this way: taking the swing of the pendulum into account, Washington is looking closely at the political situation in each Latin American country, striving to identify and win over the most "promising" opposition.

Thus, now is the very time to go to the problem of foreign dependence from the standpoint of those who are dependent. And then dependence will appear not simply as dictates from outside, but as the habit of different ruling elite groups of seizing and retaining power with the aid of foreign forces. It is based on their unwillingness to look for internal resources, which is the result of their constant fear of a sign that the people are organizing themselves for independent participation in politics.

The numerous historical facts related to maneuvering among contenders for the role of "bosses" in Latin America attest to the absence of a strong bond between the ruling elites and the foreign patron-partners. And today, despite the Western alliance's consolidation of Latin American strategy, the old and new contradictions among the imperialists are leaving the local elites plenty of space for maneuvering. Moreover, the opportunities for traditional maneuvering tactics have even been expanded. And this is not only in the global confrontations between East and West or North and South. In the present situation, the Latin American elites are deriving dividends from a phenomenon which may bearbitrarily called the "pluralization" of U. S. foreign policy. It amounts to the loss of an effective monopoly on its conduct by the traditional institutions—the Congress, the administration, and other departments. As demonstrated by "Irangate," the President, the special services, private organizations, transnational corporations, and so forth have "their own" foreign policy.

Counting on "Machoism"

Why is it that, despite the most modern means of controlling society, dictatorships are toppled and will continue to fall when these means become improved even further? In the case of instability, one defendant remains—the Latin American elite. It is also being made to answer.

The downfall of neoauthoritarian dictatorships has shown that actions by the people are not always the deciding factor in democratization. If a group that is sufficiently strong and interested in replacing the regime does not develop in the depths of the repressive structures, the tyrannies are capable of holding back the pressure from below (Chile, Paraguay).

The impression is created that the ruling groups do not go beyond specific limits in their attempts to retain power. With their defense in principle of bourgeois democratic institutions, it is clear that civilian politicians fear destruction of the vertical structures which prevent self-organization and participation by those at the bottom in making political decisions more than they fear military dictatorships. This is explained in particular by Latin American democracies' lack of alternatives to dictatorial formulas for resolving the most acute socioeconomic problems. So in today's Argentina, Brazil and Bolivia, the problem of foreign indebtedness is being resolved by the same rigid economy, by restricted consumption, and by lowering the standard of living for "those at the bottom," that is, by the methods tested by the neoliberal dictatorships.

But as paradoxical as it may seem, the elite itself is not allowing the tyrannies to take root once again. Even the dictatorships which proclaimed the establishment of alternative systems to bourgeois democracy as their goal did not embark on a second plowing of the socioeconomic relationships which concealed the seeds of their subsequent catastrophe (Vargas, Peron, the "early" Pinochet). Moreover, in spite of the bans on civilian parties, pluralism as a method of making political decisions never has been completely suppressed. Any junta is a coalition within which there is controversy over power among the commanders of arms and services, the leaders of the repressive system, and the civilian leaders supporting the coup. Thus, Latin American dictatorships are not absolute tyrannies but systems of forcibly restricted pluralism. And if the matter is approached seriously, a legal opposition—even if it is the most reptilian one—and elections with competing candidates will not seem to be a farce. From the moment that it is established, the dictatorship begins working objectively for its collapse, as well as the representative system, incidentally, which considers the autonomy of the armed forces a breeding ground for "golpistas."

A specific institution of political leadership promotes the instability of regimes. After depriving those at the bottom of the opportunity to take part independently in politics, those at the top have not acquired the capability of self-organization themselves, either. As a matter of fact, the "strong men" remain at the organizing center of the elite groups today as in the times of the conquistadors and the caudillos. In spite of any procedural subtleties, the right to make the most important decisions is transferred precisely to them and those around them. They are the ones who appear as defendants before the people for the next breakdowns and failures.

Pompidou died in 1974, but it did not occur to anyone in France that anything presented a threat to the system of bourgeois democracy. The demise of the aged Peron in the same year led to rumors of an imminent coup in Argentina, which proved to be unfounded. In Brazil, the sudden death of Tancredo Neves inspired fear for the future of democratization, but in Chile and Paraguay, it seems, the departure of Pinochet and Stroessner is not enough for it to begin...

The presence of such a vulnerable institution as "machoism" in Latin American political systems is a guarantee that violence will be perpetuated as the most important argument in the dispute for power. As long as the destinies of parties, organizations and regimes depend on the status of an individual, the hunters to resolve political problems by means of genocide will not become extinct.

The Path of the Conquistador

The most important elements in Latin American political systems are working for instability. Neither the groups in power under a democracy or a dictatorship are taking advantage of the levers at their disposal to perpetuate the regime. What is this, Sisyphean labor for democratization or a cunning technique of wielding power? It is worthwhile to answer this question by analyzing the value orientations of the Latin American elite.

Since the inception of the bourgeois state system in the region, dictatorships have always declared themselves to be provisional and extraordinary, a forced deviation from the norm—the representative system. Democracy was suppressed only in the name of its improvement in accordance with the models already tested in West Europe and the United States. The Liberator repeated in vain over and over again that the institutions of those places were incompatible with Latin American conditions. The transplanting of Western political forms reflected the great dream of the local elite of becoming level with the "civilized nations," of "returning to Europe," of turning into "South American Yankees," and so forth. Behind the dream was the insulted dignity of the descendants of the conquistadors, who created a vast empire in order to become second-class persons in it.

But the civilizing ambitions of the Latin American elite have always been and continue to be superficial. Its ideal is regimes with "a Western facade," but without the independent participation by an organized people in the politics. Satisfied slaves are needed to bring this about. Resolving the problems of development without changing the relationships of those at the top and those at the bottom is the main point of the conservative scheme of "integration into the West," which the local leaders have been struggling with for the second century now.

The dictatorships prop up the insecure democracies. They destroy the civilian society through violence, and those who defy the oligarchy are driven underground and deprived of the opportunity to act. The democracies are forcing the centers of resistance that have survived to flare up. After that, the next authoritarian wave will be brought down on them...

And the conquistador remains outside the West all the same. The scarcity of resources calls for reappraisal of values. For the time being, they do not intend to stop the spinning top. The coupists of Campo de Mayo have already hinted at this.

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8936

U. S., West Europe Seen Supporting Pinochet Regime in Chile

18070022e Moscow LATINSKAYA AMERIKA In Russian No 9, Sep 87 pp 32-40

[Article by O. P. Proselkova: "The Situation in Chile"]

[Text] In the early 1980's, a shift to democratic forms of government took place in a number of Latin American countries where the military had been in power before (Brazili, Uruguay, Argentina and Bolivia). However, the most odious dictatorships of the pro-fascist type—in Paraguay¹ and Chile—were retained. Why has the Chilean junta lasted for 14 years already?

Who Needs Pinochet and Why?

Setting its hopes on the force of the market, the military junta has given free access to the country for foreign capital and has granted foreign investors concessions to exploit the oil, copper, timber, and other natural resources. Although the mines and deposits have remained the property of the state, their management and operation have been transferred to the authority of the TNK [transnational corporations], which also control the sale of output. Transnational capital also has established control over other sectors of the country's economy. Primarily the sectors connected with production for export have proved to be in its sphere of influence. As a result, about 50 percent of Chile's foreign trade turnover went to the TNK's of the United States, 13.3 percent to the FRG, and 9.4 percent to Japan by the beginning of the 1980's.

Transnationalization of the export sectors proved to be only a temporary miracle. The country's debt increased from 4 billion dollars in 1973 to 20.690 billion dollars in 1986². The VVP [GNP] has dropped from 22.481 billion in 1980 to 20.237 billion dollars. The average wage in 1985, even according to official data, was 93 percent of the 1980 level. According to the same sources, unemployment reached 9 percent of the employed population

in 1981 and 18.9 percent in 1985 (in certain sectors of industry, the construction industry, for example, up to 60 percent those employed). As a matter of fact, its level is even higher. Especially as far as the youth are concerned. If the persons who have no permanent means of livelihood are taken into account, it turns out that about 4 million people, that is, one-third of the country's population, are unemployed or partly unemployed.

The transnationalization of Chile has led to a marked deformation of the national economy. And this not only involves the fact that displacement of the sectors oriented toward the domestic market is taking place (their production is replaced by imports) and that the country's dependence on deliveries of consumer goods is being intensified. Militarization, the primary impetus of which has been the regime's inclination to reinforce the repressive machinery, is proceeding rapidly. This has been actively assisted by military-industrial circles in the United States and a number of NATO countries, which have turned Chile into the third arms and military equipment exporting state in Latin America (after Brazil and Argentina). This trade is becoming a more and more consistent item for foreign exchange receipts; in the 1985-1986 period alone it brought the regime 100 million dollars.

Transnational corporations are taking part more and more in the development of Chile's military-industrial complex, and the country is receiving credits for arms deliveries. Foreign firms are actively collaborating both with private Chilean companies which manufacture arms (primarily the (K. Kardoen) firm) and with state military enterprises. With the aid of its foreign partners, the firm cited produces explosives, mines, and hand grenades of various types. Its enterprises turn out the "Piranha" amphibious tanks (under patent from a Swiss firm) and "cluster" bombs. Over a rather short period of time this firm was turned into the largest private arms exporter. Its customers include Guatemala, El Salvador, Egypt, Jordan and Iraq. The Pinochet regime has close contact with this firm which it tries not to advertise too much, incidentally, since the state ("Ferrimar") company has ties with Iran and "supplies" its air force with bombs. But it was precisely the junta that helped (Kardoen) in a crisis situation in 1981, granting it a loan of 4.6 million dollars toward future orders from the ground forces. The former chief of the general staff and minister of defense, General (K. Forestier), became an adviser to the firm after his retirement. In 1986, 95 percent of its income was acquired from export sales.

The state military enterprises, which are used by the international military-industrial concerns as middlemen for the manufacture and sales of arms and output for new markets, are also prospering. In exchange for its services, the Chilean military clique receives profitable orders and access to modern weapons. Thus the ("FAMA") firm manufactures the "SG-542" assault rifle, which is in demand on the world arms market, under Swiss license. With the collaboration of French and

Spanish firms, the Chilean Navy has begun building its own warships. Significant "progress" has been made by the Chilean aircraft manufacturing firm Enaer, established in 1984 with the active participation of Israel. Spain has placed an order with Chile for 40 aircraft and assemblies for the K-101 jet aircraft. The "Aucan" military training aircraft is being built in Chile with U. S. aid. Britain is delivering rockets for the Chilean Air Force. The West German MBB firm has sold Enaer a license to manufacture the BO-105 helicopters, which are being actively used by the Chilean police to suppress gatherings by the people.

It is obvious that the military-industrial circles in a number of developed capitalist states are directly concerned with maintaining and strengthening the Pinochet regime, and the rapidly growing military-industrial complex in Chile is one its main bulwarks. But there is one more aspect of the country's militarization that is of no small importance: by modernizing the regime's military potential, the West, and the United States first of all, is striving to give new impetus to the regional arms race and to nullify efforts by the states bordering Chile, primarily Peru, aimed at reducing military expenditures and using them in the interests of development.

Close contact with the Pinochet regime enables the United States to exert military and political pressure on countries in South America. It is typical that the clandestine intelligence service of the Chilean secret police has been actively utilized the CIA as an instrument of international terrorism against Chile's neighboring states, with which the junta has repeatedly provoked armed border clashes. Recurrences of "low-intensity conflicts" on the border have not been ruled out, either. The Chilean military clique may be equipped by the White House in the event that progress in the development of the processes of democratization in South America is objectionable to it and if moral and practical support is necessary here for the enemies of democracy.

The current aggravation of Bolivian-Chilean relations is evidence of that. It is common knowledge that in 1975 Bolivia asked Chile to grant it access to the ocean through territory which went to Chile as a result of the Pacific War (1879-1884). Bilateral talks at the foreign minister level were first held, then broken off for a long time. They were resumed only in 1986, probably because not only Bolivia was interested in them: for a piece of desert, Chile may receive payments in foreign exchange and power and water resources, as well as capital for the development of border areas. The negotiations were making headway toward a favorable conclusion when in June 1987, Pinochet interrupted them "unexpectedly and in an exceptionally rude manner," stating that he refused to hear about any transfer whatsoever of even an inch of national territory to neighbors, especially lands for which the Chileans killed in that war long ago gave their lives. Pinochet is thereby attempting not only to cover hands stained with the blood of tens of thousands of his fellow citizens with the toga of a patriot, but he is

consistently carrying out the social order of his masters. This involves a continuation of the anti-Andes line and a breakdown now of the integration processes being developed in the southern part of the continent following the assumption of power by civilian governments in Argentina, Brazil and Uruguay.

With these objectives as a "Trojan horse," the United States and Japan are attempting to pull Chile into the "Pacific community" which is now taking shape. Let us remind you that they supported the acceptance of the Pinochet regime in this community at a meeting of Pacific basin countries in Vancouver in 1986.³

Moreover, under Reagan's concept of "neoglobalism," American influence in Chile is closely tied in with far-reaching plans to reinforce military control over the southern regions of the Pacific and Atlantic Oceans. The United States has already acquired Pinochet's official consent to use Easter Island for military and space purposes (as of February 1986). The establishment of a new base here, along with the U. S. and British military bases which already exist in the Malvinas [Falkland Islands], on Ascension Island and Diego Garcia, as well as construction of the large military base begun in 1987 (together with the RSA) on Marion Island, will enable the United States not only to control the sea lanes of the entire southern part of the planet, but to exert pressure on the "objectionable" governments in Latin America, Africa and Asia.

The Dictator Is Maneuvering

Today it is as if Chile's return to democratic forms of government were only a question of time. Isn't that why the struggle around the choice of a path to democracy and its specific content is more and more unyielding? It is probably no accident that neither the "Philippine" nor the "Haitian" variations have "worked" here. And it is not the fact that "the man from Santiago" wants to appear "stronger" than Marcos or "Baby Doc"; when the desirability of replacing the main figure in the junta with someone less compromised, the desirability of a less odious candidacy, is hinted, he exclaims pompously from the threshold: "There is only one alternative in Chile—Marxism or me!" Pinochet is enhancing his reputation, of course. He does not seriously intend to leave. Nevertheless, there is a grain of truth in his words: the authority and influence of left-wing forces, the Communist Party of Chile in particular, have increased immeasurably over the years of struggle. It is no coincidence that the influential American newspaper THE WALL STREET JOURNAL noted: "The Reagan administration needs a communist coup in Chile least of all."⁴

In the course of the struggle, the dictatorship is meeting with more and more mass resistance; practically all strata of society, including a substantial part of the middle and even upper classes of the bourgeoisie, have joined it. At one time, they supported the coup, and right

up to the early 1980's, inspired by the ideas of a transnational "development model," they believed in its success. But the regime disappointed this part of its supporters as well: instead of the promised "democracy and order" there was oppression and chaos, and instead of "balanced development and prosperity" there was the disintegration of national production.

A trend toward broader unity of the antidictatorship forces has been noted lately. The National Civic Assembly, which includes professional associations of workers, peasants, the middle classes, and women's and youth organizations, was established in late April 1986 in response to an appeal from a confederation of persons in the free professions (associations of teachers, doctors, engineers, architects and lawyers). Assessing it as the most important achievement by the opposition forces in all the years of struggle, the communists believe that it has become an "intermediate link between the people and the political parties." Mass demonstrations, meetings and strikes⁵ have begun to take place more and more frequently and with better organization. The Chilean are ridding themselves of their fear of the punitive forces in their political school. Pinochet has proved to be in conflict with the entire country.

The dictator is maneuvering to keep himself in power. As before, he is continuing to count on the leading financial groups closely associated with the interests of the transnational corporations: (Krusat-Larren, E. Mattei, A. Angelini, and A. Luksic). The dictatorship has established special conditions for them which enable them to derive huge profits; to buy up state enterprises and the property of the petty bourgeoisie and middle class, which are being ruined in the competition with local and foreign monopolies; and to obtain loans not only from private foreigners, but international financial organizations as well. The regime has repeatedly come to the defense of the clans, violating its declared principle of "noninterference in the economy." For example, in 1983 the (Krusat-Larren and J. Vial) groups turned out to be on the verge of bankruptcy as the result of financial machinations. The government assumed a certain part of the debt of both groups and provided them with 6 million dollars in aid.

Forces of the extreme right wing and rightist orientation based on the monopolistic clans under the regime's guardianship—the National Progress Movement, the National Action Movement, and the Independent Democratic Union—have become more active. At the same time, playing the liberal, Pinochet has taken a number of steps of a cosmetic nature. It was established in the 1980 constitution that the election of the head of state would be held in 1989, and that a transitional coalition (military-civilian) government would replace the military government. Pinochet is taking great pains to ensure that the civilian composition of the future cabinet is "diluted" by right-wing and right-center elements. The United States, which is concerned about retaining its "Chilean card," may support this "South Korean version" of

democratizing the country. At Washington's recommendation, certain leaders of the moderate opposition (the PDC [Christian Democratic Party]) are also being drawn into a dialogue with Pinochet with the active mediation of the American Embassy. Contacts with them are being sought both through the obvious Pinochet supporters and through "neutral" foreign intermediaries; the head of the Vatican has turned out to be one of them.

The pope's visit in April 1987 was called upon to enhance the prestige of the Chilean Christian Democrats as one of the contenders for power in the country. It became clear during the course of the visit, however, that Pinochet would not leave voluntarily. The Italian communist newspaper L'UNITA noted in this regard: "...the oppressor Pinochet has gained the reputation of being repudiated thus far by the entire international community. This is a serious loss for the church's moral prestige. This is a model which henceforth can be used to advantage by any dictator to deliver a blow to those Catholic communities and those Catholics and bishops who condemn injustice and struggle against it."⁶

Under these conditions, the tyrant is conducting an active election campaign. A law on political parties was adopted within its framework in March 1987. In order to acquire the right to take part in the elections, they have to conduct registration in eight provinces or in three contiguous provinces, as well as to provide the authorities with lists of their leaders. It is understandable that only the right-wing parties have been registered. Moreover, the dictator plans to replace the presidential election in 1989 (stipulated by the constitution) with a plebiscite (the right to this is also established in the constitution). In the view of observers, Pinochet is attempting to retain the position of head of state for himself in this way. After the plebiscite, elections to the congress are to be held in 1990. All this attests to Pinochet's new political maneuvers in his striving to retain power at any cost.

The "National Progressive Party" was created by the dictator for this purpose in April 1987, and its electoral program was developed and promulgated. Pinochet is hypocritically promising Chileans that he will resolve the housing and food problems and the peasants' land question and improve the public health system. Demonstrating the effectiveness of his social program, he raised wages for certain underpaid categories of workers and employees and increased pensions slightly. The promises are also being backed by the arguments that the 4 billion dollars acquired in 1985-1987 from the IMF and the International Bank for Reconstruction and Development will improve the economic situation in the country.

Pinochet is being forced into such maneuvering for a number of reasons. In particular, his position among the leaders of the armed forces—the regime's stronghold—has been weakened. Under the pretext of a difference of opinion on government policy, General F. Matthei, the Air Force commander; J. Merino, the Navy commander;

R. Stange, commander of the Corps of Carabineros; and Brigadier General L. (Danus),⁷ commander of the Southern Military District, have repeatedly advocated Pinochet's retirement and a review of the constitution, and have rejected Air Force and Navy participation in punitive operations and repression. To some extent this has had something in common with the opposition's demands. For this reason, the dictator made haste to announce the retirement of a group of highly placed military officers, including L. (Danus), who was popular among the people, in October 1986. At the same time, Air Force units were transferred from Santiago to remote areas in the country's interior and counterintelligence monitoring of the armed forces was toughened.

By pursuing the policy of reshuffling Army officers, Pinochet is striving not only to retain control of the ground forces, which actually are directly subordinate to him, but forbid participation in a future coalition government by military personnel who support the establishment of a "controlled democracy" without a dictator in the country and a compromise between the military and opposition forces at the present time.

The tyrant is maneuvering. But the Chilean people do not want the "long autumn of patriarchy." The struggle against the regime is growing. The explosive social potential of the masses is already sufficiently high and is capable of imposing decisions which no tactical maneuvers by Pinochet and his foreign masters will be able to neutralize. The situation in Chile after the attempt against the dictator organized by the Manuel Rodriguez Patriotic Front (7 September 1986) has become altogether different. It is no longer subordinated to the logic of total force and social sops unleashed by the regime. Pinochet, who is pathologically incapable of relinquishing power (just as Somoza was), has proved to be vulnerable. Both the moderate opposition and the military are beginning to understand this. A bold new operation against the tyrant may spoil their plans for the country's liberalization. A situation with many possibilities (with respect to the political outcome) is taking shape in Chile.

Footnotes

1. For more details, see: M. A. Oborotova, "The Crisis of the Stroessner Dictatorship," *LATINSKAYA AMERIKA*, No 10, 1986.

2. "Notas sobre la economia y el desarrollo en America Latina" [Records on the Economy and Development in Latin America], Santiago, No 438/439, p 22.

3. For more details in this issue, see: N. I. Zhdanov-Lutsenko, "Latin America in the Pacific Context" (Editor's note).

4. *THE WALL STREET JOURNAL*, New York, 18 September 1986.

5. The largest 48-hour strike was held on 2 and 3 July 1986. It was called by the NGA [expansion unknown] under slogans demanding Pinochet's overthrow and a return to democracy. It involved up to 70 percent of the enterprises whose owners who did not oppose "their" workers who actually supported the strike. Transportation services were stopped and electric power was cut off.

6. L'UNITA, Rome, 6 April 1986.

7. He expressed dissatisfaction with the policy of reprivatizing enterprises in the state sector. In 1986, in spite of orders from authorities banning demonstrations on 1 May, he authorized meetings and demonstrations in the district he controlled. In order to bring down the tension of political statements on 1 May 1987, Pinochet declared this day "a national day of labor" and took part in its celebration himself in the city of Valdivia.

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8936

Nonaligned Movement, Latin America's Role Discussed

[Editorial Report] Moscow LATINSKAYA AMERIKA in Russian Number 9 for September 1987 carries on pages 41-64 a 10,300-word "discussion" entitled "The Nonaligned Movement—A New Stage of Development." Following are the Soviet scholars who participated and the topics they discussed.

A. A. Matlina: "Equidistance and Anti-Americanism"; V. P. Khalina: "In the Struggle for a New Informational Order"; T. V. Goncharova: "'Unofficial' Nonalignment"; N. G. Zaytsev: "Several Principled Evaluations"; V. N. Lunin: "Latin America Before and After Harare"; and Ya. Ya. Etinger: "A Combination of Statuses—A New Factor of World Politics."

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8936

Journal's Work Subject of Readership Conference in Kiev

18070022g Moscow LATINSKAYA AMERIKA in Russian No 9, Sep 87 pp 133-134

[Report from Kiev by A. V. Petrov under the "Dialogue With Readers" rubric: "A Readers Conference in Kiev"]

[Text] The journal LATINSKAYA AMERIKA has reported more than once on the activity of the Scientific Students Center on the region's problems, attached to the Kiev University. In the 25 years of its existence it has been transformed from a student scientific association into the center for Latin Americanists in the Ukrainian

capital. Many scientists, teachers, graduate students and students from the VUZes and scientific institutions in Kiev are taking part in its work. The center's participants have defended 32 candidate and two doctoral theses and published more than 150 scientific works, including eight monographs. A book on the problems of socialist construction in Cuba, published jointly with Cuban scientists, was released simultaneously in Kiev and Havana.

The assistance provided to the center by the ILA AN SSR [Latin America Institute of the USSR Academy of Sciences] is of great importance. Leading Soviet Latin American specialists are frequent guests at it. In just the past 2 years, lectures have been given by V. V. Volskiy, A. N. Glinkin, L. L. Klochkovskiy, B. M. Merin, B. F. Martynov and others. The scientific conferences "Central America: Revolution and Counterrevolution," "Latin America: Foreign Indebtedness Problems," and "The System of Inter-Latin American Relations: The Reality and Prospects" were held with their participation at the KGU [Kiev State University].

The fourth readers conference conducted by the KGU jointly with the journal LATINSKAYA AMERIKA was held on 27 April 1987. Doctor of Historical Sciences S. A. Mikoyan, the journal's chief editor and professor at the Diplomatic Academy of the USSR Ministry of Foreign Affairs, and Doctor of Historical Sciences G. K. Seleznev, as well as teachers and scientists from VUZes in Kiev and students and graduate students studying at the Kiev State University, took part in the conference. During the course of the conference, participants expressed their wishes and criticisms for further improvement in the journal's work.

Thus, KGU student (Justis Akuffo) from Ghana spoke of the increasing interest among the young scientific intelligentsia and political figures of African countries in the problems of Latin American studies. However, they have been deprived of the opportunity to read the journal LATINSKAYA AMERIKA, which is being published only in the Russian and Spanish languages. Publication in English would expand the readership significantly. In the view of Luis Molina from Nicaragua, the journal does not sufficiently reflect the development of relations between the socialist countries and the states of Latin America.

M. Grishchenko of the Institute of History, UkSSR Academy of Sciences, stressed the importance of materials being published for scientists and teachers. At the same time, he expressed the hope that more information would be provided on the history of the region's countries. V. Tropin and I. Sarapin, graduate students at the KGU, believe that the union republics' contribution to development of cooperation between the USSR and Latin American countries is not covered adequately. In the opinion of V. Yakushik, a lecturer at the KGU, the journal's coverage of discussions by Soviet scientists on

problems of current interest in Latin American studies is very important. At the same time, he noted, it is necessary to expand the range of subjects involved.

The center's scientific director, V. V. Pashchuk, emphasized that the depth of analysis of socioeconomic and political processes in the continent's countries is a distinguishing feature in the journal's materials. However, it has not yet become a true organizer in developing research in Latin American studies and a coordinator of the appropriate work being carried out at different scientific and educational centers in the USSR. V. V. Pashchuk suggested that the editorial staff conduct a survey of Soviet scientists to determine the directions and prospective subjects for research. In his view, particular attention should have been devoted to the immediate reserve for Latin American studies—the young specialists. For this, the journal could initiate All-Union conferences and competitions of beginning Latin American specialists, involve them more extensively in preparing articles, and provide appropriate assistance to improve the quality of materials they submit. Extending the distribution of the journal would promote the inclusion on its editorial board of Latin Americanist scientists from Leningrad, Minsk, Kiev and other scientific centers in the country. Correspondents centers operating on a voluntary basis, which could be established in various cities in the very near future, could play a definite role in propaganda for Latin American studies locally.

S. A. Mikoyan spoke in conclusion. He responded to the numerous questions from the conference participants and expressed his opinion on the hopes and criticisms which were expressed for the editorial staff.

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8936

Journal Board, Teachers, Soviet, Cuban Students Meet in Tula

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[Report from Tula by A. M. Bazhenov and S. R. Khukhrov under the "Dialogue With Readers" rubric: "The Journal and Its Readers: A Conference in Tula"]

[Text] Continuing the established tradition of regular meetings with its readers, the editorial staff of the journal *LATINSKAYA AMERIKA* responded to an invitation to hold its next conference at the Tula Polytechnical Institute in May 1987. The meeting was attended by teachers, Soviet and Cuban students from VUZes in Tula, lecturers and propagandists.

The conference was in the form of a free discussion, primarily on the prospects, plans and hopes of the editorial staff collective and readers' expectations and desires. V. M. Gavrilov, the deputy chief editor,

addressed the gathering. Other participants in the meeting noted the fruitfulness of the editorial staff's efforts to shed light on Latin American problems. It was emphasized that *LATINSKAYA AMERIKA* has the right to be proud that it has always been in the vanguard of innovative research and that it was one of the first to organize discussions. Its depth of research on the problems is characteristic, as well as its effort to respond to readers' interests in the region's diverse problems to the maximum extent and to provide a clear and easily understood exposition of the entire complex palette of events taking place in it. The statements made noted that the journal utilizes the most diverse forms in presenting material and looks for variety in genres and styles. Combined with its successfully executed design, both of its cover and the arrangement of its sections, in recent years, such research makes *LATINSKAYA AMERIKA* almost the most attractive of specialized scientific publications.

The journal's special issues, devoted to specific countries or events in the region, and a number of rubrics and sections, including the new ones—"Editor's Column" and "Artistic Journalism," received high marks from the speakers. The editorial staff's effort to actively involve authors and youth from other cities in the work was noted.

A considerable number of suggestions also were made. Thus, it was said that even taking into account the dissemination of the journal *CUBA* in our country, the demand from readers for problems related to the development of the first socialist state in the Western Hemisphere is so great that *LATINSKAYA AMERIKA* could also address them more frequently, especially with regard to the new processes in Cuban society following the Third Congress of the Cuban Communist Party. In this connection, the opinion was expressed that it is necessary to develop and produce new rubrics aimed at the broadest possible readership: lecturers, who need the most current and thorough scientific information on the most important events in the region and sections of fresh and interesting statistical material; teachers of social sciences, who expect the journal to provide analysis of Latin American problems in the context of world events and processes; specialists and students, who are interested in the problems of scientific and technical progress in the region's countries; and readers who are eager to learn more about Latin American culture, their way of life, and the people's laws and customs. In this connection, the editorial staff's intention to raise the question of issuing a literary supplement met with a warm response and support.

The journal *LATINSKAYA AMERIKA*, by striving to strengthen communication with its readers, has begun providing comment reviews for a number of its materials. It appears that this undertaking could be developed right up until the publication of reviews for the special issue, and so forth.

In summing up the suggestions for improving the nature of the materials, the speakers noted the importance of increasing the number of works of a summarizing, analytical and predictive nature which organically combine what relates to the continent as a whole with what is historically specific and national. The view was also stated that it is necessary to enhance the importance of the journal as an organizational center for Soviet Latin American studies. It may become one of the initiators in establishing an All-Union society of Latin American studies or Latin Americanists and a coordinator of

research work for those who are studying Latin America in various cities in the country.

At the conference's conclusion, T. L. Rebrova, a responsible official of the Tula Gorispolkom, expressed her sincere gratitude to the editorial staff, on behalf of the participants, for its contacts with readers.

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8936

PRC-USSR Committee on Border Rivers Meets
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[Text] The second meeting of the Soviet-Chinese Joint Committee for the Comprehensive Use of Water Resources of the Amur and Argun Rivers was held in Moscow on 24 November. The purpose of the meeting

was to work out guidelines for the work of experts from the two countries in the next few years, including a joint survey of the rivers' courses. The two sides highly evaluated the work by the Soviet and Chinese experts last year, especially last summer's joint survey of the Amur River.

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